

## Warning of disaster on rejection

## Police officials charged in corruption

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n up

**TUC** ba  
servants

## Thatcher flanked on register

**'The Times'**

port story by Edna O'Brien called *My Town Lovers* is published in the Saturday Review. Records with include reviews of the new recordings of Mahler's sixth and Tchaikovsky's fourth symphonies include "Sculptor" and a poem of homage to Henry Stephen Spender.

**By Roger Berthoud**

"There is no justification whatever for Iraq's retaliatory action, which we deplore. Ministers are now of course taking stock of the situation."

Mr. Alexander Stirling, the British Ambassador in Baghdad, was told that the Britons were being declared persona non grata "on a reciprocal bases."

The Iraq news agency said the decision followed "unfriendly measures" by Britain in expelling the 11 Iraqis "after travelling false charges against them."

The expelled Iraqis, who have been given until next Wednesday to leave, are not being named. Informed sources in Beirut indicated they included the consul, the military, commercial and cultural attaches and a told secretary at the embassy; a manager and an employee of Iraqi Airways, and a nonemployee of the Rafidein Bank.

**By Donald Macintyre**  
**Labour Reporter**

The journalists, who were sent their P45 income tax forms with the dismissal letters, had earlier voted by 26 to 0 to continue the stoppage at least until noon today. A statement by the management made shortly before 7 pm said that it saw "no possibility of a solution without the first step of a return to work and the maintenance of correct procedures".

It said the union chapel (office branch) of the National Union of Journalists was seeking "a 10 per cent wage increase and a productivity bonus" to grant to members an additional £1,300 per member. The management had offered a 10 per cent increase, some upward revision of expense allowances in line with cost of living, and a bonus on earnings arising from a productivity scheme acceptable to the Department of Employment.

The executive of the National Union of Journalists is to meet today to discuss the proposal. The management, Mr. Ronald Knowles, an NTJ representative, said last night.

The management statement said the reason for the dispute lay "not so much in the size of the offer" by the union as in journalists as their interpretation of what constitutes a productivity deal. They insist that they will

By Melvyn Westlake

However, unless there are changes in policy, unemployment here and elsewhere in the world will be going up next year as the industrialized nations face the prospect of another 12 months of comparatively slow growth.

These forecasts, which formed the analytical background to the re-peroration economic summit in Bonn, are published this morning by the Paris-based Organization for Economic Cooperation and Development (OECD), the body

In the latest issue of the *Economic Outlook*, the OECD predicts that the economies of the member countries will, on average, stay at around 3 1/2 per cent this year (the sum of 31 per cent as year) and decelerate slightly in the first six months of 1979.

This compares with an historical growth rate of about 4 per cent. The United States, in particular, will see its growth trimmed during this period.

This slower growth will lead

state of international economic diplomacy, to ascribe the statements in the *Economic Outlook* to ministers.

In spite of the urgent need for greater wealth creation, the OECD gives warning that "there is probably no road back to higher growth."

"Moderate injections of purchasing power" by several OECD countries could raise output in the whole area—helped by the international transmission effects—to about 41 per cent.

This however, is dependent on a successful phase four. Even then, a 10 per cent rate of inflation seems unavoidable in the autumn and early winter.

By John Crossland  
and Peter Heiney

A scornful reference to Home Office "squeamishness" over methods of dealing with Soviet deserters in Britain under a policy of forcible repatriation at the end of the Second World War is contained in Foreign Office files released yesterday at the Public Record Office. There is a clear intention to give Sir Ivor Galsworthy, a prominent Conservative Party member for exiled Russian Minuting a memorandum in which Sir Frank Newsome, Permanent Under Secretary of State at the Home Office, has condemned the suggested action as illegal. Mr (now Sir) John Galsworthy, then a third secretary

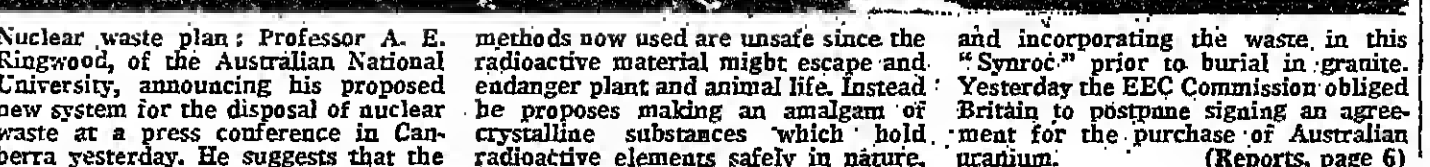
The Home Office have conducted an investigation into the procedures to be adopted in respect of Soviet deserters in this country in the light of the information given in reference to the kind of deception that was a part of British administration of the republic of Cyprus in the early months of 1954. Sir John Gifford, the Home Secretary, said at the meeting: "It was, I thought, agreed that when a Soviet deserter came into the country, the police should be alerted and that they should more or less assume, and present, that the man in question was a deserter from the British Army to his camp, and hand him over to the local military authorities for their consideration. It was also agreed that the Home Office would be keeping about the man's real wishes. It was, I thought, to be attributed to the language difficulties existing in the country. It was agreed that the Home Office are not, after all, prepared to intimate to the police, and that the Home Office are making efforts to persuade the man to return voluntarily." "have been

He has qualified support for Sir Patrick's proposal of releasing the Russian "more or less into the arms of a military escort who will then bundle him to the nearest Soviet camp." He says:

Subject in Mr. Dean's (Mr. (now Sir) Patrick Deane, a Foreman in the High Court of Justice) case would suggest that this procedure, which apparently satisfies the conscience of the Home Office, is in fact a very simple one and is therefore satisfactory from our point of view. Once back in a country of camp, unfortunate individuals will have no contact with any civil authorities (unless, of course, he escapes again) and will be free to protest as he pleases. I protest against this rather rough injustice.

Sir Patrick then pencilled in a list of points of reference.

Continued on page 2, col



By Nicholas Hirst  
Energy Correspondent

Electricity prices are likely to remain static at least until the end of the year, but despite a big rise in comparable profits there are no plans for cuts in the general tariff.

Profits of the Electricity Council from generation and distribution through England and Wales in the year to March were £133m and would have been £160m higher but for an additional charge to cover the replacement of assets. On the same basis, profits the previous year would have been £53m under a similar charge.

Mr Frank Combs, chairman of the council, said yesterday that there were no proposals to increase prices. The present general tariff runs until March, but adjustments for increases in fuel costs are made each quarter. He said they were not likely to be made until the year was generally integrated.

Lisbon, July 27.—President Eanes tonight dismissed Dr

Marão Soares, the Socialist Prime Minister, and said he would begin consultations tomorrow on the formation of a new Portuguese government.

Dr Soares, whose six-month-old alliance with the conservative Centre Democrats (CDs) collapsed two days ago, told reporters in reply to questions that as he had been dismissed it was unthinkable that he would be called on to lead the next Cabinet.

A presidential statement said the outgoing Government would stay in office until a new Prime Minister had taken office. This coincided with a state-

By Kenneth Goslin  
The BBC is to  
warn the Governm

...the Government has the right to increase the licence fee by the amount to be paid should the spread over three years. The three-year agreement under which the fee rose to £21, ends this weekend.

That would mean, for example, that if the Government approved a £9 licence increase—and that is the kind of figure the BBC has in mind, Sir Michael Swann, its chairman, indicated yesterday—the public would pay three annual increments of £3, ending in a licence fee of £30 in the third year.

"We are not at the limit of our borrowing power," he added. "And we shall not get to the limit until somewhere around the turn of the year."

There were two reasons: "the unexpectedly high rate of conversion in colour and long-term economies," and "the strain that is beginning to tell. The number of repeats has gone up and money for programmes is extremely tight."

**Plans for radio have 3**

The release of an additional £440m funds into the banking system by reducing the level of special deposits held by the Bank of England spurred hopes of an early cut in minimum lending rate.

Britain's largest union, the Transport and General Workers', is to swing the weight of its two million members, and £500,000 behind the Labour Party at the forthcoming general election. Despite hostile

Prisons in England and Wales are having to handle a growing number of difficult prisoners, the 1977 report of the Prison Department says. It blames an increase in violent crime, particularly among young adults. Prisons are having to cope with less mature and stable type

Page

The European Commission has prepared a £570m seven-year plan aimed at reducing the quantity while improving the quality of the wine produced by the EEC Mediterranean vineyards. The Commission

## Poison cloud inquiry

**Concorde loss:** British Airways lost £17m on Concorde last year, but returned a overall profit of £33m

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**Spreading the Risk:** A four-page Special Report on the growing importance of the reinsurance market

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## HOME NEWS

## Mrs Thatcher is outflanked over race register plan

By Peter Evans  
Home Affairs Correspondent

Mr William Whitelaw, deputy leader of the Conservative Party, appears to have outflanked Mrs Margaret Thatcher, his leader, by committing the party to a change of policy on immigration without her knowledge.

At a meeting with a group of Indian community leaders, he promised them that the proposed register of dependants would not be limited to the Indian subcontinent as Mrs Thatcher originally intended.

She persists in believing that such a change would be pointless and remained unaware of his commitment even though the change was reported in *The Times* on Monday and the text was issued yesterday by a letter from Mr Whitelaw to the Confederation of Indian Organizations.

The key passage in Mr Whitelaw's letter is: "In presenting to Parliament our proposals on a register of dependants, I wish to confirm that a Conservative government would seek to draft the legislation so as to include in the register those Commonwealth heads of household who enjoy such rights under our immigration Act from wherever they come."

Presented with a fair copy, Mrs Thatcher is left with little option except to play it down as a technicality intended to please the Indians.

After a week before the BBC television programme Panorama, she was absolutely alone in the idea. Our Political Editor, Fred Emery, put it to her that a register confined to the Indian subcontinent would be discriminatory.

"No nonsense," she replied. "It seems to be a thoroughly bureaucratic point to take to set up a register where there is no problem. It seems to be a practical common sense to set up a register where there is a problem."

Having himself been out-

flanked by Mrs Thatcher's tough attitude on immigration, which pleased the right of the party, Mr Whitelaw now appears to have paid her back in kind.

As Mr Enoch Powell, MP, was quick to point out in a speech on Friday, there are moves to calm Asian fears in an effort to regain support in certain key marginal seats. There is an increasing awareness to the Conservative Party that Mrs Thatcher's line might be costly in that respect.

Coinciding with the release of the text of the letter, representatives of the Confederation of Indian Organizations, was an announcement that Mr Keith Speed, MP, an opposition spokesman on home affairs, is to visit India and Bangladesh next month on behalf of the party.

He will be meeting a wide range of Indian and Bangladeshi political, commercial and industrial leaders. He will see for himself the immigration procedures operated by the Foreign Office and discuss Conservative proposals in that field.

Conservatives have noted with increasing chagrin the efforts of the Labour Government to ease the immigration of Asians, in spite of his own tough stand on immigration.

After his visit to the Indian subcontinent, he is now regarded by Asians as an influential friend. The latest story is that Mr Taylor will be a photograph of him with a star on July 19 when opening an Indian cultural centre.

Meanwhile, officials of the Confederation of Indian Organizations are planning to send to voters in the key constituencies a copy of the letter from Mr Whitelaw's letter has convinced the confederation leaders that the way the policy is framed is no longer discriminatory.

## Sharp words at House over identity cards

By Fred Emery  
Political Editor

Sharp exchanges took place at the Commons yesterday between MPs and witnesses giving evidence before the Select Committee on Race Relations and Immigration. Mr Sydney Bidwell (Southall, Lab), a member of the committee, admitted later that he had been angered by the remarks Mr R. Jain, a member of the EEC Migrant Workers' Forum.

Representatives of the forum were being questioned by the select committee on the effects of the United Kingdom membership of the EEC on race relations and immigration. On the issue of registration by immigrant workers, Mr Frederick Willey (Sunderland, Lab), chairman of the committee, asked the witnesses for their views on EEC members carrying identity cards.

All four witnesses declined to commit themselves or their forum. Mr Bidwell pressed them for answers and Mr Jain (who does your work with immigrants in Mr Bidwell's constituency) replied that he would carry an identity card if Mr Bidwell would.

Mr Bidwell replied that the committee did not expect to be castigated by the leaders of ethnic minority groups during a most general inquiry into the question of identity cards.

Mr Dudley Smith (Warwick and Leamington, C), perhaps for the first time in his parliamentary life, found himself going to the support of Mr Bidwell. He explained that there was no question of only carrying cards. If such cards became the policy of the EEC, then everyone in Britain would have to carry one. He personally did not favour them.

After the meeting, Mr Bidwell complained about the misrepresentation of his views and the committee's proposals by the press. He said that they speak for immigrant workers.

## More cut and thrust as the Prime Minister and Mrs Thatcher warm up for election

By Fred Emery  
Political Editor

Mrs Margaret Thatcher, Leader of the Opposition, ordered her backbenchers last night to prepare for an autumn election. Mr James Callaghan's "sunny disposition" is a substitute for a sorry record, he scoffed.

She said the Conservatives were the party of liberty and that the next election was going to be fought on the basis of liberty versus collectivism.

Almost at the same time Mr Callaghan was giving Labour MPs a similar pre-election alert, telling them to beware from August to October what he called a massive Conservative propaganda campaign, backed by substantial funds from private industry.

He said that Tory advertising on radio, in the cinema, and in the press would be on a scale that had never been seen before. He boasted that the Labour Party was in good heart: it left Parliament in better fettle than it had 12 months ago, and it had prepared to "outwit the Tories".

For both leaders these end-of-term meetings had an elec-

tion warm-up ring about them. But Mr Callaghan was careful to keep his options open. Much of yesterday at Westminster saw the parties vying to show public support for their leaders.

A packed private meeting of the Conservative 1922 Committee, which includes all the party's MPs, received Mrs Thatcher's speech with noisy acclamation, with much stamping and banging of desks.

It was the second occasion yesterday on which Conservative MPs affected an access of affection for Mrs Thatcher. In the Commons, a Prime Minister's question time, they deduced such a note that they seemed almost rehearsed, as if to make up for their lack of support for her economic debate speech on Tuesday.

Mrs Thatcher's private message, as relayed on her half afterwards, was that Conservatives must keep hammering away at the Government during the recess. They must remind the people that tax cuts falling due were Tory tax cuts. The issue was reflected in the letter of protest sent to the Times concerning its coverage last Tuesday, by her backbench colleague Mr Ian Perceval was a very good example.

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The countervailing Labour motion gave mock congratulations to "the British press on its objective and unanimous assessment of the intellectual tour de force of the Leader of the Opposition" and the billiard and noise in the House, Mrs Thatcher had at least one serious exchange with the Prime Minister. She got him to admit that his working assumption on unemployment was now 550,000 people, not 500,000 as the Government's record since 1974 had been to add 500,000 to the dole queue every day it had been in office.

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Parliamentary report, page 5

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Mrs Thatcher is known for saying that the never-squads about attacks made on her. But this week with all the main Fleet Street newspapers remarking on her weak performance, must have been a testing time. She believes that the letter of protest sent to the Times concerning its coverage last Tuesday, by her backbench colleague Mr Ian Perceval was a very good example.

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## TGWU plan to back Labour with £500,000

By Paul Kintledge  
Labour Editor

The Transport and General Workers' Union is to spend £500,000 to ensure the election of the Labour Government. Union members' services will be urged to Mr James Callaghan's cabinet, but that in the long term will be a general secretary of the I and a senior TUC negotiator with whom any incoming government would have to deal, said last night.

Mr Mosley, a general secretary of the I and a senior TUC negotiator with whom any incoming government would have to deal, said last night: "I have been disappointed in the Labour Government's record since 1974. But that does not prevent us from underlining in the long term our friends are."

When the election is announced, the union is to convene a conference of its 30 time officers and 400 executive council at Doncaster, but that in the long term will be a general secretary of the I and a senior TUC negotiator with whom any incoming government would have to deal, said last night.

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## Council are accused on housing

By Our Local Government Correspondent

Local authorities are allocating council houses in ways that are secretive, open to corruption and discriminate against the single and mobile, according to an article in *Road, Shelter*, housing magazine, published today.

Mr Stephen Winyard, a lecturer at Preston Polytechnic, concludes that legislation will be needed to ensure that all councils satisfy the criteria of being fair and seen to be fair. Many people in housing need are put off by restrictive systems.

Mr Winyard reports the findings of a survey of 320 of the 366 housing authorities in England. Nearly a third (31 per cent) still do not publish the allocation scheme they use, although almost as many as were reported in 1969 by an advisory body that recommended that publication should be a statutory duty.

The survey showed that 35 per cent still require specific reasons for allocation before rehoming will be considered and 21 per cent refuse or restrict the allocation of homes to single people under retirement age.

*Road, Shelter*, 157, Waterloo Road, London, SE1 8UU, 90p.

## 'Unacceptable bureaucracy' in fighting urban decay

From Christopher Warman  
Local Government Correspondent

Newcastle upon Tyne. The Association of Metropolitan Authorities has criticized the way in which government help is given to inner-city areas through joint central and local government schemes.

Several of the authorities complain that the bureaucracy established to operate the schemes has reached an unacceptable level. The association's policy committee has decided to call a meeting of the councils involved to try to resolve the difficulties.

Mr A. G. Taylor, chairman of the association, said yesterday: "The partnership scheme is an important part of this country's attempt to stop the rot in some of our most hard-pressed inner urban areas. It is vital that we should get the arrangements for the partnership right now, before present worries get worse."

Mr John Taylor, leader of West Midlands County Council, said that resources needed by the inner cities were being wasted in planning and monitoring. He wanted a system whereby the local authorities identified urgent needs and, after obtaining approval and funds from the government, were allowed to get to work on them.

It was important to start with simple projects that people

could see and understand, then they would be more patient waiting for longer-term benefits. Mr John Taylor said there was too much emphasis on research and monitoring and some social service projects.</



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## HOME NEWS

## Head tells minister of lead pollution fears for 'below par' pupils

By Trevor Fishlock  
The headmistress of a London primary school has written to an environment minister expressing concern over what she fears is "an alarmingly high" lead pollution level at the school. She wrote that parents and teachers "are perturbed by the number of children and adults suffering from recurring stomach pains, feeling of nausea, severe headaches and of generally feeling below par".

The letter was written to Mr Denis Howell, Minister of State, Department of the Environment, by Mrs Pamela Shaw, headmistress of Boxgrove School, Abbey Wood, south-east London. The school is 200 yards from a lead-smelter works.

A recent and as yet unpublished study by Mr Leslie Chubb, senior analyst in the agriculture and food department at Reading University, disclosed high lead levels at Boxgrove school, which has 360 pupils, and its immediate surroundings.

His findings need to be compared with an average of 970 parts per million ppm of lead found in dust in urban Manchester. In the playground at Boxgrove he found 1,300 ppm; in dust in a playground wind-trap 4,000 ppm; on the road to the school from the school 12,800 ppm; and in moss near the smelter 28,800 ppm.

At a school in Oxfordshire, sampled for comparative purposes, Mr Chubb found in the playground 35-85 ppm and in a playground wind-trap 200 ppm.

Mrs Shaw, who is worried lest her pupils should be affected by lead particles from the smelter, is asking the Government to combat the harmful effects of lead on children. She is urging Mr Howell to finance research into ways of countering such pollution by dietary or chemical means.

Mrs Shaw, who has been

teaching for 30 years and went to Boxgrove school in 1973, was at first reluctant to discuss lead pollution because she did not want to create anxiety among parents or appear alarmist. She said yesterday:

"When I looked at the staff records I was struck at once by the high level of absence through sickness. Then I noticed that many children, a higher proportion than normal, complained of headaches. They did not seem to possess as much stamina as the children I had taught at other schools. They played hard, like all children, but for a shorter time. They grew tired more quickly."

Over the years I saw that, although they were working hard and were well taught, they were not retaining information as they should have. I noticed a certain restlessness and listlessness in some children to a degree that was unusual. This question of retention of information bothers me. When I began to hear and read of the effects of lead on young children, things began to click. I began to wonder if some of my pupils were being upset by pollution. The difficulty is that there has been no dramatic or devastating effect and the evidence might be purely circumstantial.

After all, a child might suffer nausea for a variety of reasons or be unable to concentrate because he stayed up late watching television; and children vary so much. Nevertheless the feeling grew that something was not quite right and I now consider the children are at risk.

I am not out to close the lead smelter and I am sure the owners are doing everything they can to reduce the amount of pollution. But I feel the Government should start researching into ways of combating the effects of lead.

Chloride Metals Ltd, the company that operates the Abbey Wood smelter, was invited yesterday to comment on local concern about possible lead pollution. A representative said the company would like to consider the matter, but by then might no comment had been made.

Shortage of beds and nursing staff brings crisis to accident and emergency services  
Hospitals forced to turn away ambulance patients

By Penny Symon  
Most of the 59 hospitals in Greater London with accident and emergency departments can no longer keep them open full time to ambulance cases because of a shortage of beds or nursing staff.

Yesterday the conveners' committee of the London Ambulance Service met representatives of the South West Thames Regional Health Authority to discuss the serious difficulties experienced by ambulance staff.

A joint statement issued after the meeting said it was recognized that at times of temporary closure an unbearable burden was being put on ambulance staff. It agreed that the Department of Health should be asked to call together representatives of health authorities, consultants, and the London Ambulance Service to obtain better recognition of the serious difficulties and to take urgent steps to provide a more continuous accident and emergency service.

On Monday, Mr Roland Moyle, Minister of State for Social Services, will visit King's College Hospital south London. He will see the accident and emergency department, which was built in 1911 for 10,000 patients a year, and which, in 1977, could cope with 85,000, including 69,500 new patients.

Local concern about the need to close the department has been expressed in a petition to the minister, who is

MP for Lewisham, East. It urges the Government to provide money to enable the department to stay open to service an area containing 250,000 people.

Concern about closures of accident and emergency departments is felt keenly by hospital staff. The difficulties are far more acute in London than elsewhere.

Staff understand the frustration of an ambulanceman who has an injured person in his vehicle and may have to double his planned journey distance because the nearest hospital is closed to him.

Mr D. E. Benguefield, divisional ambulance officer (control) of the London Ambulance Service, says it answers 1,700 emergency calls every day, and the number is increasing. "We recognize that the hospitals have difficulties, but we are at the sharp end of this, and it creates frustration and stress for the ambulance crew."

"Crews have to travel extra miles, perhaps double the distance, when the nearest hospital is closed, so their round time is longer and vehicles are less available because more time is being spent on one patient. It is getting worse."

Most of the hospitals will take life-or-death cases, so-called "blue calls", when they are used to other ambulance patients. They sometimes stay open for certain categories of patient, while having to close to others.

They also take people who can get to the accident and emergency department without the aid of an ambulance. They also try to get in touch with neighbouring departments before closing in an attempt to ensure that there is some cover in the district.

"We have 250,000 people in our area, and an accident and emergency department that is totally inadequate," Mr T. R. Morley, consultant orthopaedic surgeon in charge of that department at King's College Hospital, says.

"When we do not have the beds available to put ambulance cases into, we have to restrict their admission. We have some wards closed because we have not enough money to run them. If we could reopen them the problem would disappear overnight."

Hospitals also have difficulty balancing their admission of waiting list patients against emergency admissions.

"People are told that they are going into hospital, arrive, and after a long wait, may be told that there is no bed available," Mr Morley says.

"In order not to let that happen, we have to restrict emergency cases. It is disastrous that, in order to continue to admit waiting list people, we fail to run an accident and emergency department which is open to ambulances all the time."

The hospital will resist any attempt to cut its funds, Mr Morley says. "We are a very

big district hospital with enormous specialities, and any reduction in our funds would be completely demoralizing. Who one hears that it is a possibility, one can lose heart."

In North London, Mr P. F. Green, consultant in charge of the accident and emergency departments at the Royal Northern and Whittington hospitals, says he too has insufficient funds to run a full emergency service.

"Sometimes we have to do close for five days at a time," he says. "When we know that we have not got the back-up beds available we cannot continue to operate the full service."

The Royal Northern has 294 acute beds and 30,000 new admissions a year. It has 11 Whittington 800 for 34,000. There is an obvious need for a general district hospital in the Islington district, but no money to build it.

At Whipps Cross Hospital, Leytonstone, east London, Dr Vera Dallos, consultant in charge of the accident and emergency department, says it is determined to avoid closure. "An accident and emergency department should be open 24 hours a day, seven days a week, with no restrictions," she says.

"We mix male and female patients, and different categories of patient, in the same wards, but it is far from ideal. The closure of accident and emergency departments has been brought in to run them. They have been centralized,

KING'S COLLEGE HOSPITAL			
Date	Category	Reason	
Jan 17 to 19	All	Nursing shortage	
20 to 22	Children	Nursing shortage	
23 to 25	Children	Nursing shortage	
26 to 28	Children	Nursing shortage	
29 to 31	Children	Nursing shortage	
1 Feb	All	Beds	
2 Feb	All	Beds	
3 to 7	Children	Nursing shortage	
8 to 9	All adults	Nursing shortage	
10 to 11	All adults	Nursing shortage	
12 to 14	All adults	Nursing shortage	
15 to 17	Med patients	Beds	
18 to 20	All adults	Nursing shortage	
21 to 23	All adults	Nursing shortage	
24 to 26	Children	Beds	
27 to 29	Children	Beds	
30 to 31	All adults	Nursing shortage	
1 to 3	All adults	Nursing shortage	
4 to 6	Historics	Beds	

but the back-up facilities find it difficult to cope with extra workload and need reviewing.

"The closure of smaller hospitals has increased the work," Dr Dallos, who is chairman of the North East Thames accident and emergency advisory subcommittee, says the committee has been asked to study the difficulties. Its report will be discussed by the regional medical advisory committee.

The closure of ambulances of accident and emergency departments at King's College Hospital, with dates, categories and reasons, is illustrated in the accompanying table.

## £1m to give football clubs social purpose

By Michael Horsnell

The government is to give football clubs £1m to help them to get into the recreation field, of their communities, particularly in socially deprived inner-city areas. The money is to be distributed by the Council to clubs willing to provide opportunities to support.

Conary, totalling £8 has already been offered 18 clubs which have submitted projects designed to European standards of community participation. A further £500,000 is offered for clubs in deprived inner-city areas about half of a separate grant for the development of general sports facilities.

Another 21 clubs expected to receive grants as is thought, the government is repeated: near the end of a more known to be working schemes.

The £550,000 so far is towards schemes valued at an estimated £2m. Additional money from the Government, local and other bodies.

Mr Dickie Jepp, of the Sports Council, said: "£1m is not enough to change the face of 92 football clubs, but it can begin to get more with community recreation."

"This must be people living in town cities that are short of facilities. It is good clubs, add may help to soccer hooliganism by supporters a link with outside match days."

Schemes under discussion include indoor sports as part of a new shopping development at Aston Villa's ground in Birmingham. The Sports Council has offered its large so far, £150,000, towards the scheme.

These are considered and table tennis under their own stand Arsenal may make medical facilities to local sportsmen.

The clubs were invited to offer in May by a grant of £100,000 to the Football League. He said yesterday: "only a crack in the wall encouraged that last the Government had nized this need."

## Libel suit by Rebecca We

Dame Rebecca We

author and critic is libel damages in the £10 against *The Spectator* weekly. Dame Rebecca, who is suing in her full name, Cicely Andrews, said she was libelled in book on Yugoslavia, *Blat*, and *Grey Folcon*. Her against Mr Alexander for, editor of *The Spectator*, and the newspaper its

## MPs want watch on Civil Service

By Robert Parker

The House of Commons Expenditure Committee made clear to the Government yesterday that it is maintaining its early criticism of the Civil Service, in particular the lack of monitoring of efficiency and its inadequate accountability.

It said in its twelfth report, based on evidence taken by the general subcommittee, that it would continue to ask important questions about the running and management of the Civil Service that had still not been answered.

The twelfth report is a reply to the Government's own observations in March on the expenditure committee's eleventh report, published last September. Mr Michael English, Labour MP for Nottingham, West, and chairman of the general subcommittee, said the Government's reply was a very mixed document. It contained inaccuracies and, above all, failed to make any reply to important aspects of the eleventh report.

The report said: "While we welcome the Government's acceptance of a number of our recommendations, we feel that some of our most important proposals on the management of departments have not been taken sufficiently seriously. We also consider that our recommendations on parliamentary surveillance received an inadequate response from the Government."

"We believe that our report made a modest and reasoned attempt to increase the accountability of the executive to the House of Commons and we regret that it did not receive a more positive response. We therefore believe it our duty to return to the debate on this issue and to continue to press our views."

The committee is particularly worried that there is little attempt, as it sees it, to measure the performance of the Civil Service in achieving the tasks it is set. The committee's eleventh report, published last September, had urged the Government to set up a system of regular audits of the Civil Service's performance.

proper authorization of expenditure, the report says.

The twelfth report repeats the committee's earlier recommendation of "a complete reconstruction of the present system of accounting to Parliament", with an efficiency audit on the lines recommended by the Fulton committee.

The committee is also worried that the audit department is not sufficiently removed and independent of the executive, in particular the Treasury and the Civil Service Department, to be able to act as Parliament's main instrument of financial accountability.

Mr English described the Treasury as the only body of accountants in the country with the right to tell the auditor "to push off".

Another recommendation repeated by the twelfth report is the establishment of departmentally related select committees with adequate specialist staff and the power to appropriate expenditure.

## Doubt over showing of film on test-tube birth

By John Roper  
Health Services Correspondent

Only part of the film showing the birth of the world's first test-tube baby, made by the Central Office of Information, is likely to be released. When that will be still in doubt last night.

The Department of Health and Social Security said it had not heard from Mr Paul Vincent, the parents' solicitor, and Mr Roland Morley, Minister of State for Health, had made no decision about the release of the film.

Mr Vincent, who visited Mrs Lesley Brown at Oldham District and General Hospital yesterday, said he did not suppose that she would like to see the details broadcast on television.

He said the baby named Louise, looked fine and both she and Mrs Brown were doing well.

The film of the birth, he said, would be released after 28 days. A department statement had said that ministers had decided that they could not accept the agreement, involving Associated Newspapers, made on the night of the filming "as it relates to restrictions on the release of the film made by the COI".

In a statement on Mrs Brown's behalf, Mr Vincent said that one of the express conditions of the agreement relating to the film of the birth, was that it would not be released for 28 days. Had that condition not been in the

agreement, Mrs Brown would not have agreed to the making of the film.

The COI had no right to release the film without Mrs Brown's consent because of the strict duty of confidentiality owed by the Department of Health to Mrs Brown and because of the contractual obligations under the agreement.

The agreement was drafted and finally approved by Manchester Regional Health Authority's lawyer. Before signing, the senior officer of the COI stated that he had full authority to enter into the agreement.

It was said to be further represented by the health authorities and the COI that the contents of the agreement had ministerial approval.

Requests by television and international agency services for permission to reproduce the pages of the *Daily Mail* reporting the birth, were refused by the paper's management. Action would be taken if there was any infringement, it said.

Mr Colin Barnett, North-west regional divisional officer of the National Union of Public Employees, said yesterday that the new technique, which had been pioneered within the National Health Service, should remain within the service. The challenge must now be to force Mr Sturgeon and his colleagues to put pressure on the Government to ensure that a research unit was founded in Oldham to develop the work within the NHS.

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## Inquiry into National Theatre cash

By Our Theatre Reporter

The Arts Council announced yesterday that it has established a committee of inquiry into the financial affairs of the National Theatre in response to a request by the theatre board. The committee will start work immediately and should complete its report early next year.

Sir Roy Wilson, QC, former President of the Industrial Court, is chairman of the committee. The other members are Mr Brian Maynard, an accountant, and Dr Richard Hoggart, chairman of the Arts Council's drama panel.

The committee has been asked to examine the National Theatre's financial position "now and in the future, the financial implications of current policies and the level of funding."

Particular attention will be given to the operational and maintenance requirements of the National Theatre building. The theatre management has long complained that too much of its money has to be spent on the building and too little on productions and performers.

The National Theatre Board made a formal request for an inquiry in March. Although the National Theatre has been subject to criticism from a variety of sources, Mr Roy Shaw, secretary-general of the Arts Council, said yesterday that the council had received no demands for an inquiry from anyone else.

Some less able children were

## Wives in talks on Forces' pay

Mr Alan Beith, Liberal MP for Berwick-upon-Tweed, led a delegation of Servicemen's wives to meet Mr Frederick Mulley, Secretary of State for Defence, and other ministers yesterday to discuss pay and conditions in the Armed Services.

The delegation protested against a new voting system under which wives have to be registered as Service voters. The ministers agreed to review the system.

## Bank's missing £70,000

The disappearance of £70,000 from the Midland Bank in Queen Square, Wolverhampton, is being investigated by detectives.

## Correction

It was incorrectly stated in early editions on Wednesday that Mr Walter Jewitt, leader of the Liberal group on Grimsby council, had been expelled from the Liberal Party. The candidates committee decision to remove him from the list of approved parliamentary candidates is subject to appeal.

## Inspectors criticize mixed-ability class

By Bob Doe, of The Times Educational Supplement

The practice in some comprehensive schools of teaching children of widely differing abilities in the same class is criticized by government school inspectors in a report published today.

They fear that clever children in particular are suffering in many of the 300 schools they visited where the "mixed ability" method is used, and complain that it has often been introduced for social rather than educational reasons.

Only a few exceptional teachers can teach well in classes that are not streamed into groups of roughly similar abilities, the report says. Most aim at the average level, neglecting the most and least able.

Sometimes, it says, teachers' expectations were pitched even lower than the average, resulting in slow, underachievement all round.

Some less able children were

stimulated to better performance by sharing in the work of their able peers, but the cleverest pupils almost always suffered. In most schools the inspectors were concerned about the pace, scope and level of the work offered to such children.

The inspectors found classes for most subjects organized along mixed-ability lines, some stage in about a third of the comprehensives in England, but rarely did it extend into fourth and fifth years, when pupils prepare for public examinations.

The report says that some teachers see there a chance to further their own "social philosophy" of social integration and less competition. But the inspectors give warning of unforeseen social and educational consequences.

"The priority given by some teachers to social objectives was operating against the development of the full academic potential of some of their pupils," they say.

Some teachers' efforts to

create an informal aim in the classroom too led to a casual attitude to work.

Others found the teaching mixed-ability reluctantly, or with chance to prepare the because a hasty decision taken by the teacher before the full consequences had been weighed.

Schools often chain escape from indiscriminate morale and lack of motivation. The bottom class streamed schools were extremely difficult, because of the high level of truancy and the disruptive children are treated. They are said to be rejected and undervalued because they get the teachers, and least at work. In mixed ability it is argued, the ability to learn is less likely to feed into failures.

Mixed Ability Work in intensive Schools. (St Office, £2.50).

## Mrs Williams to seek new industry liaison bodies

By Lucy Hodges, of The Times Educational Supplement

Local authorities will soon be urged to set up school-industry committees to ensure that employers and trade unions are kept in close touch with the education service.

A letter from Mrs Shirley Williams, Secretary of State for Education and Science, has been drafted and is expected to be sent to chief education officers in the next week or so to coincide with the end of the parliamentary session. Ministerial pressure is believed to be behind the move, one of the first concrete proposals to come out of the "great debate on education" begun by the Prime Minister 18 months ago.

When the letter is distributed Mrs Williams will be able to demonstrate that her department has been as active as other bodies in the field, such as the Confederation of British Industry, the Schools Council and the Department of Industry.

The draft asks local authorities to set up committees to

look at such questions as local work-experience schemes, opportunities for teachers to learn about industry, ways in which schools and industry can better understand one another, ways in which the qualities needed at work can be developed, and ways to promote interest in wealth-producing industry.

The school-industry committees should not merely consider science and technology but should look at wider issues "if the liaison committee is to become a focus for general school-industry information and activity," the letter says.

They should be housed in local education offices or in schools or colleges and could develop as a resource and information centre.

There has been some resentment about the draft from local authority representatives who object to the implication that they are not doing enough. Many councils already have such committees, as well as liaison officers. The letter is likely to be modified in the light of their complaints.

## White Paper education being prepar

By a Staff Reporter

Officials are drafting a White Paper for Mrs Williams, Secretary of State for Education and Science, on the future of education. It is expected to be published in the autumn.

It is conceived as a statement of the government's educational policy for the next two years and sets out proposals for the law on education, provisions for 16-18-year-olds, enabling power local authorities to increase the size of schools, the recommendations of the Taylor Commission on the composition of the bodies.

If decides to publish Williams is expected to announce the first half of the White Paper in the autumn. The last White Paper on education, a *White Paper*, was published by Mrs Margaret Thatcher in 1972.

## IS THE SCOTTISH THISTLE A THORN IN THE SIDE OF WHITEHALL OR A FLOWER IN THE COMMON MARKET GARDEN?

Scotland, a corner stone of the United Kingdom is now exposed to plans which could lead towards independence, the creation of a new nation state or consolidation of its position within the United Kingdom.

Scotland itself could become fragmented.

Are the movements within Scotland of sufficient strength that their momentum will carry them through a change in central government or are they so embryonic that their future depends upon the hue of government at Westminster?

The Times plans to publish, on August 21st a Special Report on Scotland. The report will investigate how Scotland may move into the 1980s as well as reviewing Scotland in 1978.

What has North Sea Oil really meant to Scotland and how much will it affect future planning?

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## SPECIAL REPORTS

## SCOTLAND - AUGUST 21st



# PARLIAMENT, July 27, 1978

## Cooperation expected from working people during next pay year

Mr. Denis Healey, Chancellor of the Exchequer, said today that he was sure that the economy was broadly on course and that the economic picture was broadly sound. He said that the Government was confident that the economy was broadly on course and that the economic picture was broadly sound. He said that the Government was confident that the economy was broadly on course and that the economic picture was broadly sound.

## Role as a revising chamber fulfilled

Mr. Healey said that the House of Commons had fulfilled its role as a revising chamber. He said that the House of Commons had fulfilled its role as a revising chamber. He said that the House of Commons had fulfilled its role as a revising chamber.

## Loopholes in ramshackle apparatus

Mr. Healey said that there were loopholes in the ramshackle apparatus. He said that there were loopholes in the ramshackle apparatus. He said that there were loopholes in the ramshackle apparatus.

## Individuals with large shareholdings

Mr. Healey said that individuals with large shareholdings. He said that individuals with large shareholdings. He said that individuals with large shareholdings.

## Higher fines for breaking channel rules likely

Mr. Healey said that higher fines for breaking channel rules likely. He said that higher fines for breaking channel rules likely. He said that higher fines for breaking channel rules likely.

## Danger of reverting to wage-price spiral: dividend control essential

There was a danger of slipping back into a vicious circle of higher earnings chasing higher prices, Mr. Healey said. He said that there was a danger of slipping back into a vicious circle of higher earnings chasing higher prices. He said that there was a danger of slipping back into a vicious circle of higher earnings chasing higher prices.

## Loopholes in ramshackle apparatus

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## Individuals with large shareholdings

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## Pay rise plea for chief whip

Mr. Healey said that pay rise plea for chief whip. He said that pay rise plea for chief whip. He said that pay rise plea for chief whip.

## 'We all have off days at times'

Mr. Healey said that we all have off days at times. He said that we all have off days at times. He said that we all have off days at times.

## Resident labour available for Tottenham?

Mr. Healey said that resident labour available for Tottenham. He said that resident labour available for Tottenham. He said that resident labour available for Tottenham.

## Clash on assumption about unemployment

Mr. Healey said that there was a clash on assumption about unemployment. He said that there was a clash on assumption about unemployment. He said that there was a clash on assumption about unemployment.

## Decision to end sanctions rests with United Nations

Mr. Healey said that the decision to end sanctions rests with the United Nations. He said that the decision to end sanctions rests with the United Nations. He said that the decision to end sanctions rests with the United Nations.

## Removal of aero engines a commercial matter

Mr. Healey said that the removal of aero engines was a commercial matter. He said that the removal of aero engines was a commercial matter. He said that the removal of aero engines was a commercial matter.

## The last week

Mr. Healey said that this was the last week. He said that this was the last week. He said that this was the last week.

## Oxford class list: Modern languages

Mr. Healey said that the Oxford class list for modern languages. He said that the Oxford class list for modern languages. He said that the Oxford class list for modern languages.



## WEST EUROPE

## Less wine but better quality is aim of EEC seven-year plan

From Michael Hornsby  
Brussels, July 27

An ambitious seven-year plan for reform of European wine production, aimed mainly at reducing the quantity while improving the quality of the output of Mediterranean vineyards, was proposed today by the European Commission.

The cost of the plan would total about £370m, of which some £230m would be charged to the EEC budget, the rest being met by the governments concerned.

The scheme goes to the EEC Council of Ministers of Agriculture, who are expected to discuss it at their next meeting in September.

It is estimated that the plan would involve the modernisation of the conversion to other crops of about 741,000 acres out of the 4,200,000 acres of vineyards in France and Italy where table wine is produced.

The plan, comes fairly closely after the Commission's earlier approved proposals. It is designed largely to meet the similar, but in some respects conflicting, difficulties which France and Italy will face in competing with the low-cost wine producers of Greece, Spain, and Portugal in an enlarged Community.

In presenting the scheme to the Commission this week, Mr. Fian Olav Guddelach, the EEC Commissioner for Agriculture, emphasised that the aim was not simply to reduce production as to make room on the market for the new members. They, too, would have to accept the same production disciplines.

According to Commission esti-

mates production of table wine in the Community is increasing by 1 per cent a year, while consumption is stagnant. This suggests that the EEC must reckon with an annual surplus of table wine of between 130 million and 220 million gallons a year. This estimate, based on account of the enormous increase in production potential that would come with enlargement.

To appease the French, who are as worried about an influx of cheap Italian wine as about competition from new member states, the Commission has proposed creating the legal basis for introducing a minimum "floor price" for wine during periods of glut and collapse of the market.

The proportion of wine output must be sold at a fixed low price for distillation into industrial alcohol at times of excess production would also be raised. This obligation would be extended to regions of Italy that are not exempt.

On the consumption side, the Commission expresses alarm about the growing competition from manufacturers of soft drinks, and criticises the high excise duties charged on wine. In Britain and Denmark, more than 70 per cent of the retail price of a litre bottle of wine consists of tax.

On the structural side, aid would be given mainly for the replanting of vineyards with vines of higher quality, and for the widespread phasing out for conversion of vineyards elsewhere to the growing of maize, fruit and vegetables.

## Firm blamed in Seveso poison cloud inquiry

From Peter Nichols  
Rome, July 27

The parliamentary commission of inquiry into the Seveso disaster today produced its report which is highly critical of the behaviour of the management of the factory which caused the explosion which took place little more than two years ago.

The 470-page report is largely concerned with the problem of assessing where responsibility lies for the tragic results of the escape of a toxic cloud containing a dioxin (TCDD). The first, and most important, finding is that the management of the factory was negligent in its approach and conclusions were markedly respectful.

Both Houses will have to debate the report in the autumn while the judiciary will be independent examining the various legal charges already brought by citizens in the area. The parliamentary commission makes it clear that the courts must decide what steps should be taken on the basis of its findings.

The principal accusations made against the Icmesa management (a part of the Hoffmann-La Roche multinational company) are that the dangers arising from its production were not properly assessed and that the workers were not properly trained for such work.

The factory was established in 1946 for the production of pharmaceutical products. That was how it came to be in an area where the production of dangerous substances was forbidden under the development plan. The mayor of Meda (the municipality in which the factory stands) should have been informed of the dangers of any changes in the character of Icmesa's production. This had not happened.

The Icmesa had also, in the period from 1970 to 1976, failed to ask for the necessary inspections of its equipment, especially the reactor in which the explosion occurred.

The methods of production were, moreover, changed in such a way as to cut costs and increase the danger of the formation of the dioxin. After the explosion on July 10, 1976, producing the dioxin cloud, the factory management allowed 27 hours to pass before informing the mayor and carabinieri. No reference was made to the premonition. This threat was not put into effect.

The report also criticises the local authorities, including the Milan province as well as the municipality of Meda, for not making full use of their powers for protection against pollution of the atmosphere and water. The provincial authorities received a report in October 1969 from the director of the provincial laboratory for analysis, concerning the plant. It was not until April 1972 that they asked Icmesa for details of its production process and threatened to remove it if it was not perceived within a sense of the dioxin, which was known to be the most toxic synthetic substance known.

## Three die in mine fire

Belgrade, July 27.—Three miners died in a fire which took place today in control at the Velevo coal mine in Slovenia yesterday.

## OVERSEAS

## Secret services keep watch on Baath 'special agents'

## Suspicion of Baghdad link with London attacks behind expulsions

By Stewart Tisdell  
Crime Reporter

The decision to expel 11 Iraqis from Britain this week was prompted by intelligence and Special Branch reports showing the increase of violent incidents in Britain connected with the Middle East, their possible links with Iraq and the general suspicion that arms have been smuggled in in diplomatic luggage.

Since their reorganisation by Iraq's ruling Baathist Party in the late 1960s, the country's intelligence services abroad have built up a reputation not only for gathering information but also for wreaking retribution on dissidents and keeping the party membership in line.

Apart from regular intelligence services—General Abdul Razzak al-Naif, the former Prime Minister shot dead in London almost three weeks ago, was a former director of military intelligence—Iraq also has a "special intelligence" drawn from members of the Baath Party.

Arab sources suggest that members of this group are often posted to Iraqi consulates

and embassies abroad and some of the expelled Iraqis could be such agents.

In past years the main thrust of their activities is said to have been against members of the Kurdish separatist movement. They have been blamed for an attack on Kurdish leader in Geneva last year.

Then there were spits between the regime in Baghdad and party members in Europe. Late last year a report reached London that a West German secret serviceman had identified a group of Iraqi intelligence officers travelling through Europe with the task of patching up the differences one way or another.

The Middle East peace moves and Iraq's antagonism to the Egyptian talks brought new suspicions about the activities of Iraqi intelligence in Britain which first surfaced last January, when Mr. Said Hammani, the British representative of the Palestinian Liberation Organisation, was murdered in London.

The killer rapidly disappeared after the attack, which was later attributed to supporters of Abu Nidal, a Palestinian extremist

based in Baghdad. In 1976 Abu Nidal was interviewed by Western journalists in Iraq and he told them that British policemen might soon need to carry guns.

Whoever the killer was, his attack and his escape were well organized. Police and intelligence officers began to take a much greater interest in the Arab community in London.

Four weeks later they were investigating an attack on Dr. Arad Alawi, an ex-ambassador of Iraq in London, by a group of Iraqi intelligence officers travelling through Europe with the task of patching up the differences one way or another.

Then, on July 9, General Naif was shot outside a London hotel.

What is clear from this week's Foreign Office statement on the expulsions is that the police and intelligence services could no longer safely maintain the view that the violent aspect of Middle Eastern politics would not reach Britain because London was valued as a neutral meeting place.

## Hope of safer storage for nuclear waste

From Douglas Aitken  
Melbourne, July 27

In a book to be published tomorrow, an Australian geochemist claims to have devised a process which would lead to a safer method of disposing of radioactive waste from nuclear reactors.

Professor A. E. Ringwood of the Australian University, Canberra, has been careful to point out that his method is still in its early stages. But he maintains that he has discovered the beginnings of a safer method. He said today that he expected it would cost about twice as much as the system used at present.

The book *Safe Disposal of High Level Nuclear Reactor Wastes: A New Strategy*, is published by the Australian National University Press.

In his introduction Dr. Ringwood says that such elements as caesium, strontium and plutonium have to be stored for up to one million years before becoming harmless. The principal method now used for disposing of radioactive waste, he says, is to incorporate it in borosilicate glass and bury it underground in deep salt mines. Many scientists, he says, now believe that this method has serious drawbacks because long-term storage safety cannot be guaranteed. The glass is prone to cracking over long periods, permitting dangerous radioactive elements to migrate to ground waters and contaminate plant and animal life.

The Ringwood strategy is based on the observation that in nature small amounts of the same elements are completely immobilized in the crystal lattices of certain minerals for up to 2,000 million years—much longer than needed for the safe decay of waste from nuclear reactors. The Ringwood strategy follows nature.

Minerals such as perovskite, zirconia, hollandite, barium feldspar and leucite, all have the capacity to immobilize active waste elements in crystal lattices. A number of these minerals are mixed together by melting at high temperature, cooled, they crystallize to a synthetic rock which Ringwood has named Synroc.

The radioactive elements incorporated in Synroc concentration of five to 10 per cent during cooling and immobilized in the crystal lattices of the constituent minerals in the rock.

Professor Ringwood says radioactive elements with long half-lives, even if Synroc is in contact with water, will not be employed by bacteria to produce additional fissionable material. Alloy containers depositing them in the deep-drilled hole granite rocks.

The university has put the Synroc process. Dr. Ringwood says the cost of the strategy will not exceed one per cent of the total of nuclear power, and the method represents a degree of insurance for safety of radioactive waste.

Professor Ringwood is a Fellow of the Royal Society and a foreign associate of the United States National Academy of Sciences.

He has also received a Royal Medal from the Royal Society and a Distinguished Achievement Award from the American Nuclear Society.

Initial reaction to his work has been enthusiastic. A number of the few non-American scientists to be invited to ex-Moscow after the 1969 signing of the Moon.

The Australian scientific community has been particularly hopeful. The general opinion seems to be that although Ringwood has discovered something significant there is a long way to go.

## EEC bars Australian sale of uranium to Britain

By Derry Hogue

Britain yesterday postponed signing an agreement to import Australian uranium after a threat of prosecution before the European Court of Justice.

The two countries initiated the agreement last month but only 24 hours before the formal signing was due to take place yesterday. Herr Guido Brunner, the EEC Commissioner for Energy, announced in Brussels he had decided the agreement was incompatible with EEC law.

Both Britain and Australia reacted quickly. A statement released through the British Department of Energy said the agreement had been postponed with very much regret. It added: "The EEC decision does not accept that the objections raised by the Commission well founded." The EEC, which directly conflicted an important British interest, was seen as a major setback.

The EEC view is an agreement would have been impossible for Britain, a prior Australian consent transfer fuel supply Australia to other countries, and that this would have been a major obstacle to the free flow of uranium within the Community.

## Dismissal of Cairo mission causes concern in Israel

From Michael Knipe  
Jerusalem, July 27

Israel's military delegation, expelled from Egypt, returned home today, thus ending the only direct link between the Jerusalem and Cairo governments.

In spite of the efforts of the Government here to minimize the impact of the expulsion, the Egyptian action is viewed with concern in informed circles.

The opposition Labour Party issued a statement saying the expulsion and recent inflammatory statements by Egyptian spokesmen led it to fear that the peace initiative was nearing its end.

Hardline elements have expressed anger at what they regard as a humiliating insult. Their view is that the military delegation should have been withdrawn long ago.

Government spokesmen have maintained the attitude struck last night by Mr. Begin, the Prime Minister. Disclosing the expulsion while being interviewed on television, he said of it, saying the delegation did not fulfil a central political role and he did not see the expulsion as a sign of peace initiative collapse.

Israel's military delegation, expelled from Egypt, returned home today, thus ending the only direct link between the Jerusalem and Cairo governments.

Concern is growing in Israel that the Egyptian Army more troops than it should in the limited forces for the military mission.

Christopher Walker writes: Cairo, Egypt's sudden decision to expel the military mission, guarded by diplomatic officers here as an attempt to pressure on the Egyptian administration, in advance of the peace talks, was a major setback. David Cross writes from London: The American Administration issued a mild rebuke to the Israeli Prime Minister Sadat for expelling the mission. A State Department spokesman said: "This step is not to be taken."

## Judge keeps public at bay as casino fraud trial ends

From Charles Hargrove  
Paris, July 27

Sensationalism kept knocking at the door of the court at Nice throughout the trial of 20 croppers and eight "barons" in the Ruhl Casino on charges of helping themselves to 330,000 francs (£40,000) a year.

The public who thronged to the court in the hope of juicy tidbits about extortion and fraud, scandals which have rocked the Riviera gambling world were disappointed. They were kept out of the court by the president, M. Charles Rossi. "This trial will not be the trial of sensationalism," he declared at the start.

There was nothing sensational about the extent of the fraud (considering the casino was the only 500,000 franc chips in the world), about the proceedings, or in the end, about the public sentences, which ranged from 18 months to 10 months, most of them suspended. They were also fined and ordered to repay the sums embezzled.

The president insisted that there was no tempting situation or corrupting occupation; only tempted croppers and corrupt employees. "Monsters of delinquency," he described them, "destroyers of the beautiful orchestration between gambling and chance."

The public prosecutor told the court that gambling itself was not on trial.

He declared that the accused's contention that croppers at the Ruhl received only half of the tips from the clients, an important part of their earnings, while other casinos gave around 80 per cent, and therefore were entitled to help themselves, was "Here we have people who earn between 7,000 francs and 8,000 francs a month and rob their boss on the pretext that he is a bad one. Why, in France there are one and a half million unemployed who would like to be under the orders of a boss like that."

The defence attempted to turn it into a trial of M. Jean-Dominique Fraton, the controversial president and managing director of the Ruhl. He told the court that he had been affected by these fraudulent practices as much as if they had been a "family tragedy".

M. Paul Lombard, one of the defence counsel, considered that the affair was the "result of a climate of the bad reputation of one of those gambling houses which Balzac defined as a social sewer."

"Profit is everywhere, and virtue nowhere," he said. The state takes its slice of 65 per cent from the vice of gambling. The croppers who tried to tame chance felt that by defrauding that particular casino they were not quite guilty of fraud."

## Brussels argues 1981 date for Greek entry

From Our Own Correspondent  
Brussels, July 27

Greece should become the tenth member of the EEC by 1981, the European Commission recommended today. It added that while for most purposes a transitional period of five years after entry should be granted, sectors such as agriculture and industry, would need at least seven years, possibly eight, to adjust.

The recommendation was forwarded to the Council of Ministers today.

It is hoped that the substance of membership negotiations with Greece can be completed by the end of the year.

## Doubts about motive for Aldo Moro's murder

From Our Own Correspondent  
Rome, July 27

The ghost of Aldo Moro, the Christian Democrat leader murdered in May by his kidnappers, is still raising doubts and misgivings about the real secret—if such there is—behind his death.

Today the Communists devote an editorial on the front page of their official newspaper, *L'Unita*, to the necessity of seeking the answer to the "capital question" of the real motive behind his murder. The Communist preoccupation follows a former attempt by its deputy on the Christian Democratic left, Signor Carlo Fracanzani, to have a parliamentary inquiry set up to investigate Moro's death.

There is little sign so far that he will achieve his aim, but there is undoubtedly a growing sense of uneasiness about the murder in the Christian Democrat leadership.

It is ruefully pointed out that since the murder on May 9 there has been no further act of political terrorism in any way comparable with Moro's abduction and death, which is seen to suggest that the late Christian Democrat leader's fate was expressly intended to remove him personally from the scene.

Moro was the architect of the present broadly based parliamentary alliance which, for the first time, includes the Communists as formal members of the Government's supporters.

## Mr Smith welcomes Senate compromise on sanctions

Salisbury, July 27.—Mr Ian Smith today welcomed the United States amendment on anti-Rhodesia trade sanctions as a defeat for the Carter Administration and a victory for conservative opinion in the United States.

He expressed "sincere appreciation" to Senator Jesse Helms, Republican, North Carolina, for his efforts to have sanctions lifted, and to bring the dangers of current State Department policy to the attention of the American Congress and the American people.

Mr Smith also paid tribute to Bishop Abel Muzorewa for canvassing support for the proposal to lift sanctions while in the United States. He said the efforts by Mr Helms and the bishop were responsible for forcing the American administration into accepting a compromise motion. The fact a compromise had to be reached in the Senate, Mr Smith said, "illustrates the growing strength of conservative opinion in the United States."

Our Washington Correspondent writes: Mr Helms and other conservative members of the Upper House hope that they will have better luck in the House of Representatives.

By a comfortable majority of 59 votes to 36, the Senate agreed that sanctions should be retained until after free and fair elections are held in Salisbury and fresh "good faith" attempts are made by Mr Smith and moderate black leaders to negotiate a settlement with representatives of the guerrilla forces outside the country. The onus would be on President Carter to decide whether these conditions had been met before the sanctions could be lifted.

Hugh Noyes, Parliamentary Correspondent, writes: Mr Callaghan refused yesterday to be drawn into criticism of the American Administration's attitude to Rhodesia and particularly to sanctions. Asked to approach President Carter over suggestions that sanctions might be lifted, the Prime Minister told the House that the United States and British Governments were working closely together on this matter and that the President and Mr Cyrus Vance, the Secretary of State, were in no doubt about the general position.

Our Washington Correspondent writes: Mr Helms and other conservative members of the Upper House hope that they will have better luck in the House of Representatives.

## Tokyo protest against pact with China

Tokyo, July 27.—About 1,000 screaming rightists dressed in combat fatigues demonstrated outside the Foreign Ministry in Tokyo today against a proposed peace and friendship treaty with China.

The rightists then drove in about 100 vans bedecked with rising-sun flags across Tokyo shouting from loudspeakers: "We oppose the treaty. There are problems to be solved before concluding the treaty now."

Riot police, aided by armoured cars, blocked the roads and prevented the rightists from reaching the Chinese Embassy.

The demonstrators, members of 65 different groups, converged on Tokyo from all over Japan. They also shouted: "We will never concede the Senkaku Islands to China." There are believed to be oil deposits in the area which is claimed by Japan, Taiwan and China.—Reuter.

## Cypriot leader attacks Turkish arms decision

Nicosia, July 27.—The United States Senate decision to lift the arms embargo on Turkey was described as "disastrous" today by President Spyros Kyprianou of Cyprus.

He told a press conference that the decision could have "disastrous consequences not only for Cyprus, but also for relations between Greece and Turkey and the whole Eastern Mediterranean."

He urged the United States House of Representatives to "take a cooler look at the issue" and refuse to "lift the arms ban." This could help Cyprus, Greece and Turkey, he said, to emerge from their deadlock, he said.

A veto on American arms for Turkey could also help President Carter make a more positive contribution to efforts to resolve the Cyprus question in line with United Nations resolutions.—Agence France-Presse. Leading article, page 15

## Korchnoi poised to score first win

Baguio, Philippines, July 27

The most exciting game so far in the world chess championship adjourned tonight with Viktor Korchnoi, the challenger, on the attack against Anatoly Karpov, the champion, and in good position to score the first win of the match after four successive draws.

Korchnoi will try to press home his advantage when the game is resumed tomorrow, the 25th anniversary of his defection from the Soviet Union.

Heavy rain from a typhoon pelted the roof of the convention centre, creating a steady din in the auditorium. A power failure caused a penumbral blackout while Karpov was debating his twenty-third move, but the lights were restored and play resumed without incident.

The challenger ruthlessly applied pressure, even though a race against the clock forced him to crash through several moves to avoid his time running out.

Both players rushed back to their hotels to spend the night analysing the position with their seconds. Experts considered Korchnoi's final move may have set the champion in an insurmountable position.—AP and Reuter.

Harry Golombek writes from Baguio: Both players must be now be feeling the strain of what promises to be a gruelling

## Balloonists on course for early landfall

St John's, Newfoundland, July 17

Two British balloonists attempting to become the first to cross the Atlantic may reach the coast of France as early as Friday if favourable conditions continue. However, it was regarded as more likely they would land Sunday or Monday, probably on the Brest peninsula.

Late yesterday, Mr Don Cameron and Major Christopher Davey were soaring at an altitude of about 5,000ft, 320 miles from the North American coast in their yellow, blue and red air balloon.

They were expecting to gain altitude. Weather conditions for the remainder of their flight appeared good.

Hours after their departure from St John's park early yesterday the balloonists received an unexpected message from the Queen's house aircraft passed over them en route to the airport here.—AP.

## Tokyo protest against pact with China

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VERSEAS

# Cuba trying to avoid pen clashes at on-aligned meeting

in Dessi Trevisan  
grade, July 27—  
though the foreign minis-  
of the non-aligned nations  
so far managed to avoid  
at their conference  
it is becoming increas-  
apparent that the road to  
ana, where the non-aligned  
mit is due next year, will  
be so smooth as some dele-  
gates fondly imagined earlier

ready the Moroccan dele-  
have said in private that  
will not go to Havana  
as Cuban troops withdraw  
Africa before they  
in that 30 other non-aligned  
tries insist on the same  
litions, said have decided  
 boycott Havana unless the  
as are removed.

attempts from the Somalis  
in the same vein and in  
are they have already asked  
the Cubans to be con-  
sidered as non-aligned.  
one has so far threatened  
 boycott the Havana summit  
public debate, but there is a  
of lobbying behind the  
es. For its part, Cuba is  
ing cool, biding time and  
ing to see which way the  
wind blows. Before its  
ign Minister takes the floor  
to explain the Cuban position,  
she was down to take part  
in general debate yesterday,  
postponed its speech until  
y and then again until  
trow. This is to let other  
gents make their case  
—especially those which  
condemned Cuba for mili-  
intervention in Africa and  
npts to bring the non-al-  
igned movement under the  
ay wing.

they can avoid it, the  
us openly do not wish  
a full-scale clash, which  
jeopardise the summit in  
ma and Cuba's presidency  
be non-aligned movement  
the next summit.  
never the latest statement  
resident Fidel Castro, con-  
that Cuba intends to  
its leading position among  
aligned wing, by moving  
and proposes to do so,

# ritons raise human rights Havana youth festival

Peter David  
Times Higher Education  
liment  
na, July 27  
delegation of 180 Britons,  
ing representatives of  
British Youth Council, the  
th Council of Churches  
the National Union of Stu-  
s, will march through the  
in capital tomorrow in the  
ing ceremony of an inter-  
national youth festival dedi-  
cated to anti-imperialist soli-  
darity and friendship.  
is the first time that main-  
stream British youth move-  
s such as the BYC have  
part in one of the reg-  
world youth festivals,  
since the war have been  
to European coun-  
dominated by com-  
munist nations.  
May the Federation of  
aryative Students and the  
e-Conservatives reversed  
intention to join the cele-  
a, claiming that the festi-  
val was being hijacked by  
sentiment and the British  
I not be permitted to  
the issue of human rights  
slet countries.  
the British group has  
dy drafted a multilingual

leaflet condemning the recent  
trials of the Soviet dissidents,  
Yuri Orlov, Anatoly  
Shchegolev and Alexander  
Ginsburg, as an infringement  
of human rights. The leaflet is  
to be distributed among some  
20,000 communist and left-wing  
youth leaders from throughout  
the world who are participat-  
ing in the Cuban festival.  
British delegates will be  
speaking in an important  
debate on political emancipa-  
tion, peace and friendship, and  
to all constraints on free-  
dom of speech, religious wor-  
ship and the right to dissent in  
societies throughout the world.  
The self-financed British  
delegation, led by Mr Trevor  
Phillips, president of the  
National Union of Students, is  
one of the largest attending  
the festival. The biggest come  
from the Soviet Union with a  
thousand delegates and the  
German Democratic Republic  
with some 750.  
Havana, July 27.—President  
Castro denounced China last  
night for its treatment of Viet-  
nam and what he said was  
gross criticism of his own Afri-  
can policies.  
Reuters and UPI.

# nuclear pact reaffirmed

Our Correspondent  
abad, July 27  
The Government of Paki-  
stan's military ruler, re-  
affirmed his nation's  
re to acquire French nu-  
clear reactors, plant  
to serious objections from  
United States, General Zia  
journalists at Quetta that  
only the Government but  
people of Pakistan are  
minded to acquire French  
reprocessing plant.

# THE ILLUSTRATED LONDON NEWS

AUGUST  
Bevis Hillier  
2nd IMPRESSIONISTS  
Norman Moss  
THE NEW COLD WAR  
Des Wilson  
AMERICAN NOTEBOOK  
Chris Pinder  
MEN'S GOLF SWINGS HIGH  
Tony Aldous  
NDON'S VILLAGES: CHESEA  
Edward Lucas-Smith  
HENRY MOORE AT 80

# LOCKS

a new British monthly  
magazine for world  
lock lovers.  
and with insight and  
knowledge that only those  
who appreciate locks, who  
not them, restore them, make  
m, dealer with them or just enjoy  
ding and learning about them.  
then by experts yet not in over-  
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# Ethiopian troops break siege of Asmara

Addis Ababa, July 27.—  
Ethiopian troops have broken  
the siege of Asmara on the Red  
Sea and reopened the Addis  
Ababa-Asmara highway, the  
Central War Command an-  
nounced here tonight.  
It said the 503rd and 506th  
divisions of Ethiopia's Second  
Liberation Army, both pushing  
north from Tigrai province, met  
up in Debarora, a copper-mining  
town 12 miles south of Asmara,  
early today.  
This means that Ethiopian  
forces now control the whole  
land area between Asmara and  
the border with Tigrai to the  
south, and the area west of  
Asmara to the Tsemei on the  
Sudanese frontier.

The Asmara-Addis Ababa  
highway, which has been  
closed since January, 1976, when  
separatist guerrillas began a  
systematic harassment of tra-  
vellers and traders, finally  
blowing up bridges on the  
Mereb River about a year ago.  
The route will now serve the  
Government's combat forces,  
enabling the transport of sup-  
plies and troop reinforcements  
as well as easing much of the  
economic hardship that has  
strangled Asmara, observers  
said.

The Government has already  
begun rehabilitation and re-  
settlement programmes in oc-  
cupied zones south of Asmara.  
The Relief and Rehabilitation  
Commission announced yester-  
day that it had distributed food  
and medical supplies to people  
in five localities in southern  
Hamasien district.

Addis Ababa radio said today  
that "revolutionary measures"  
—a phrase which in the past  
has meant execution—had been  
taken against seven men for  
rape and other crimes.  
Six of the seven were elected  
officials of urban dwellers'  
associations in the capital, who  
had acted against the people  
and the revolution "by working  
to further their own interests  
and raped women and girls".  
Agence France-Presse and  
Reuters.

# Angola jets fire over Luanda to quell unrest

Johannesburg, July 27.—  
Angolan Air Force jets con-  
ducted "exercises" using anti-  
aircraft guns around Luanda  
and a night curfew has been  
ordered in the city, Angolan  
Radio said in a broadcast  
monitored here yesterday by  
South African Radio.  
Luanda broadcasts monitored  
in London said curfew was  
ordered for the nights of  
Wednesday, Thursday and  
Friday after "alarming  
rumours" of attacks by groups  
of bandits.  
No further details were given  
of bandit activity but a shoot-  
ing, but they gave rise to specu-  
lation here of a possible mutiny  
by elements of the army of the  
ruling popular movement  
(MPLA). It was considered un-  
likely that jets would be sent  
to shoot at simple "bandits" or  
over-enthusiastic troops.

# Security Council approves Namibia freedom plan

New York, July 27.—The  
Security Council today endorsed  
the Western plan for the inde-  
pendence of Namibia (South-  
West Africa), from South  
Africa and asked Dr Waldheim,  
the Secretary-General, to pre-  
pare United Nations supervised  
elections. Voting was 13 in none,  
Earlier, despite bitter South  
African opposition, the Council  
unanimously approved a reso-  
lution calling for the "early re-  
integration" of the port en-  
clave of Walvis Bay, over which  
Pretoria claims sovereignty,  
into an independent Namibia.  
The council added a require-  
ment that pending re-integra-  
tion, South Africa "must not  
use Walvis Bay in any manner  
prejudicial to the independence  
of Namibia or the viability of  
its economy."  
The second resolution asked  
Dr Waldheim, the United



Former President Gerald Ford competing with Bob Hope in the open Pro-Am golf tournament at Wethersfield, Connecticut.

# In brief

## US tells citizens to leave Lebanon

Beirut, July 27.—The United  
States has advised its citizens  
who do not have business in  
Lebanon to leave the country as  
quickly as possible. The  
embassy staff is being reduced  
and their dependents sent out  
of the country.  
No reason was given for the  
American statement which was  
made after almost a month of  
heavy fighting between Syrian  
Troops and right-wing Christian  
militias in Lebanon. The battle  
zones were quiet today.

## Gabon airlift

Libreville, July 27.—Coog-  
lese and Zairean aircraft today  
begin airlifting the first of  
some 10,000 Benin citizens ex-  
pelled from Benin after clash-  
ing between local people and the  
immigrants. mPolice are guarding  
8,000 Benin nationals in a high  
school.

## Hijack plotters jailed

Prague, July 27.—Three  
Czechoslovakians found guilty  
of plotting to hijack a domestic  
airliner to West Germany last  
April have been sentenced to  
prison terms ranging from six  
years to nine and a half years.

## Business as usual

Karachi, July 27.—Prostitute  
in Lahore have filed a petition  
in the High Court against a  
Government order directing  
them to stop work during  
Ramadan, the Muslim month of  
fasting, next month.

# Former British MP in Transkei power clash

From Nicholas Ashford  
Johannesburg, July 27  
Mr Humphrey Berkeley, the  
former Conservative MP turned  
socialist, has often been at the  
centre of controversy during  
his varied political career. This  
facility for stirring things up,  
which reached a peak during  
his epic quarrel a few years  
ago with Mr John Ennals over  
the leadership of the United  
Nations Association, has fol-  
lowed him to Transkei, the  
independent Xhosa-speaking  
homeland for which he is now  
acting as diplomatic adviser.  
Since Mr Berkeley emerged  
on the Transkei scene earlier  
this year, he has been involved  
in a behind-the-scenes power  
struggle with Mr Digby Koyana,  
the former Foreign Minister  
who last week was relieved of  
his post and shunted off to a  
relative backwater to look after  
the portfolios of Justice and  
Police.

Mr Berkeley has also issued  
a solicitors' letter demanding  
an apology from a senior white  
government adviser whom he  
accused of making disparaging  
comments about Mr Berkeley's  
earlier activities in Mauritius.  
Mr Berkeley first visited  
Transkei in April with two  
executives from a public rela-  
tions firm appointed to pro-  
mote Transkei overseas. Shortly  
after Mr Berkeley's return to  
London, Chief Minister Matan-  
zima, the Transkei Prime Minis-  
ter, made his announcement  
that his country was severing  
ties with South Africa, the only  
country with which it had dip-  
lomatic relations, apart from  
the Bophuthatswana homeland.

In an article published after  
the rupture, Mr Berkeley de-  
scribed the severance of rela-  
tions as "the most significant  
event" to have taken place in  
southern Africa since the  
Portuguese withdrawal from  
Mozambique and Angola.  
It was about this time that  
Mr Berkeley began calling  
himself political, constitutional  
and diplomatic adviser to Chief  
Matanzima. Mr Koyana, whose  
function was to win foreign  
recognition for Transkei,  
strongly objected to Mr Berke-  
ley's use of those titles—and  
he said so in no uncertain  
terms both in London and in  
Umtata, the Transkeian capital.  
Mr Koyana felt it was not in  
Transkei's interests that "a  
foreigner should be in such a  
high position in the political  
affairs of the state."

Mr Koyana's public attack on  
Mr Berkeley was clearly an  
attempt to reduce his growing  
influence with Chief Matan-  
zima. "I failed, however,"  
the whole affair has upset a  
number of prominent Transkei-  
ans who, like Mr Koyana,  
feel that foreigners should not  
be given such key positions.  
However Chief Matanzima, who  
has denied that the latest  
Cabinet reshuffle has anything  
to do with the Koyana-Berkeley  
dispute, thinks differently.  
Having been disappointed by  
Mr Koyana's failure to find  
any foreign country that was  
prepared to recognize Transkei,  
he now clearly hopes that Mr  
Berkeley will produce better  
results.

# World prayers plea as Cape squatters await bulldozer

From Our Own Correspondent  
Johannesburg, July 27  
The Council of Churches in  
the Western Cape has appealed  
to churches throughout South  
Africa and abroad to observe  
this Sunday as a day of prayer  
for the people of Crossroads  
squatter camp outside Cape  
Town.  
Support for the appeal has  
come from the South African  
Council of Churches, which at  
its recent congress called on  
the authorities to allow inhabi-  
tants of Crossroads to stay  
there until suitable accommo-  
dation can be provided near  
Cape Town.

Crossroads, which houses  
22,000 Africans, is threatened  
with the same fate as the Mod-  
derdam, Werkgevoet and Unib-  
ladder squatter camps, which were  
bulldozed last August, and in  
January this year. About 25,000  
people were made homeless.

Dr Willie Vosloo, Deputy  
Minister of Plural Relations,  
has made it clear that the  
camp will be removed after  
winter ends. This deadline ex-  
pires next month.  
The Government maintains  
that the squatter camps are  
health hazards and attract  
illegal black immigrants to the  
Cape Peninsula. However sup-  
porters of the camps see the  
demands as a way of reduc-  
ing the expanding black popu-  
lation in the Cape.  
The people of Crossroads  
maintain that, unsightly though  
their camp may be, it is a  
upper house of preference to  
its inhabitants to the official  
black townships near Cape  
Town. Many black male  
migrant workers are forbidden  
to have their families with  
them in the townships, and  
have moved to Crossroads  
against the law.  
Bernard Levin, page 14

# QC promised visa to defend dissident

By Peter Strafford  
Efforts are being made to  
have Mr Louis Blom-Cooper,  
QC, defend Mr Alexander Pod-  
rabinek, a leading Soviet dissi-  
dent who is about to go on  
trial in Moscow. Mr Brian  
Wrobel, a colleague of Mr  
Blom-Cooper, has recently  
visited Moscow and spoken  
about it to Soviet officials. The  
Foreign Office has told the  
Soviet Embassy that it hopes a  
visa will be granted.  
Mr Wrobel told a press con-  
ference in London yesterday  
that in a telephone conver-  
sation earlier this month with  
the Soviet Embassy he had  
been told that a visa would be  
granted.  
For some time Mr Podra-  
binek was subject to surveil-  
lance by the KGB (the Soviet  
secret police). He was followed  
and threatened by its agents  
wherever he went. Last May  
he was arrested and charged  
with slander of the Soviet sys-  
tem.  
Mr Wrobel said that Soviet  
officials had violated Soviet  
law in making their case  
against Mr Alexander Podra-  
binek. They had not investi-  
gated the possibility that the  
allegations he had made  
against the psychiatric prac-  
tices in the Soviet Union  
might be true, or that he  
might have made the allega-  
tions without intent to slander.

# Dispute on Desai letters ends in compromise

From Our Own Correspondent  
Delhi, July 27  
Vice-President Jatti today  
came up with a compromise  
solution which allows the  
Upper House of Parliament to  
transact business normally  
after the dispute over the pub-  
lication of letters between Mr  
Morarji Desai, the Prime  
Minister, and the Home Minis-  
ter he dismissed last month  
concerning corruption allega-  
tions against the Prime Minis-  
ter's son.  
Mr Desai has denied there is  
any substance to the allega-  
tions, but Opposition members  
immediately latched on to a  
demand by Mr Chavan Singh,  
the former minister, about  
bidding a commission of  
inquiry into the charges  
against Mr Kanti Desai in order  
to embarrass the Janata Gov-  
ernment.  
Mr Jatti, who is chairman of  
the Upper House, today pro-  
posed, after three days of  
behind the scenes negotiations,  
that Opposition leaders should  
get the chance to peruse in his  
office the six letters exchanged  
before Mr Charan Singh was  
elected on June 29, though  
they will not be tabled or  
made public. The Government  
quickly accepted.

# General Pereda frees political prisoners

La Paz, July 27.—General  
Juan Pereda, Asbun, Bolivia's  
new President, has ordered the  
release of all political  
detainees in an apparent move  
to give his military govern-  
ment a liberal image in the  
face of Opposition demands for  
new elections.  
General Pereda, who took  
over from General Hugo  
Banzer in a bloodless coup last  
Friday, issued the order during  
his first Cabinet meeting last  
night, and said the military  
planned a return to democracy.  
Informed government sources  
said he also pledged to respect  
press freedom and guarantee  
the jobs of state workers.  
The move followed demands  
by the militant Minders  
Federation for the release of  
125 political detainees and the  
withdrawal of troops from min-  
ing zones.


General Pereda was the Gov-  
ernment-backed candidate in  
the July 9 elections, which  
in Bolivia in 12 years—the first  
were subsequently annulled,  
following charges of fraud in  
his behalf.  
In the first violence reported  
since the coup, guerrillas  
ambushed an army engineering  
battalion, captured the soldiers  
and then killed them.  
The incident happened on  
Tuesday in Coripata, in the  
remote Yungas Valleys, 50  
miles northeast of La Paz, and  
the first guerrilla activity  
since 1970.  
A brief military announce-  
ment said: "The engineer bat-  
talion was working in the area  
when it was surprised and cap-  
tured by a group of extremists  
who later executed them, in  
the most cowardly way, along  
with two members of the  
National Police and two civil-  
ians who had been captured by  
the extremists that morning."  
As a consequence of this  
carried out by international  
extremism and its agents in  
Volivia, we are reporting the  
deaths of the battalion mem-  
bers, whose names will be

released later. It said. The  
announcement concluded with  
a call to human rights organi-  
zations to condemn the mas-  
sacre. It did not specify how  
many men were in the bat-  
talion.  
Opposition sources cast doubt  
on this Army version of what  
happened. Sources close to a  
movement that supports the  
opposition, Popular Democratic  
Union, said that the peasants  
had blocked made to protest  
against fraud in the elective  
elections of July 9. Troops had  
then attacked villages and burnt  
houses, they added.  
Other reports agreed that  
peasants had blocked roads into  
the Yungas area but it was not  
confirmed that their motives  
were political. The region  
depends on production of coca  
leaf, legally used by Bolivia's  
big Indian population to allow  
a cold and hunger. But it is  
also the raw material of cocaine.  
According to Señor Francisco  
Rico Toro, the Interior Minister,  
the clashes occurred after a  
dispute over the local crops.  
Travellers from the area said  
they did not know whether the  
clash was sparked by the peas-  
ants' opposition to their govern-  
ment or to government  
efforts to force them to stop  
growing coca. If the killings  
were aimed at General Pereda,  
it would be the first known  
violence against the coup.  
There are also unconfirmed  
reports that peasants from Cori-  
pata and neighbouring Ara-  
paca and Coreico had staged a  
general uprising, though its  
causes were not immediately  
known.  
Last week, peasants in the  
nearby regions of Nor Yungas  
and south-west Yungas blocked  
several area highways and  
attacked the rivers of commer-  
cial buses and trucks travelling  
through the area. Two weeks  
ago, supporters of the former  
president attacked a local  
police station and its govern-  
ment office. Official sources  
said there were no reports of  
casualties.—Reuter and UPI.

# Chilean Air Force stands by dismissed commander

From Florencia Varas  
Santiago, July 27  
Nineteen of the 21 generals  
of the Chilean Air Force have  
come into voluntary retirement  
in support of General Gustavo  
Leigh, a former member of the  
military junta and commander-  
in-chief of the Air Force.  
General Leigh was removed  
from his post last Monday by  
President Pinochet in an at-  
tempt to silence his critics of  
the Government. He told jour-  
nalists: "I have not resigned,  
I carry my head high and his-  
tory will pass judgment on me."  
President Pinochet chose  
General Fernando Matthei as  
the new commander-in-chief of  
the Air Force and member of  
the military junta in a demon-  
stration of his authority, which  
has been described as the third  
coup since the coup of 1973  
when the Allende government  
was overthrown.  
The first was when he had  
himself named President of a  
military junta in which four  
members, representing the  
Army, Navy, Air Force and  
police, were supposed to have  
the same rights and functions.  
The second was the plebiscite  
called by President Pinochet  
last January when he ascribed  
the victory obtained at the polls  
to his own performance in  
office.

General Leigh has objected to  
President Pinochet's excessively  
personal way of running the  
country and believes he has  
seriously endangered the coun-  
try's security. He is worried by  
the unfavourable image of Chile  
abroad and fears that country  
faces a very real prospect of  
war with its neighbours,  
Argentina, Bolivia and Peru.  
At a press conference after  
his appointment, General  
Matthei acknowledged that he  
would have to earn the support  
of his officers and that for the  
time being he had only the  
strength of anyone in authority.  
Giving his reasons for accept-  
ing the appointment he said the  
armed forces were getting to a  
point of confrontation because  
of differences between Presi-  
dent Pinochet and General  
Leigh.  
General Matthei continued:  
"For me individuals are im-  
portant, but the country is  
more so. I am at ease with  
my conscience."  
The Air Force is unhappy  
because of General Leigh's  
removal. I cannot hope to  
replace him or equal him as he  
is the greatest commander-in-  
chief which the Air Force has  
had. Having neither his intelli-  
gence, his charisma or his per-  
sonal appeal, I am going to do  
everything to do my duty."



## BRUCE OIL MANAGEMENT GAME

The Bruce Oil Management Game is a computer based management exercise focusing attention on the most important growth sector of the United Kingdom's economy. Played by groups of up to four people, the Game highlights the major problems of bringing a newly discovered hypothetical oil field on-stream. The object of the Game is to locate and successfully overcome these problems and maximise profits from the investments made.

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THE ARTS

# Thanks for the memory: Scorsese's elegy for rock

David Robinson

Last Waltz (n)  
London Pavilion/  
Oxford Street/  
Two

in London  
National Film Theatre/  
Cinema

use Calls (a)  
za 1

a Cuervos (aa)  
a Royal

we are of rock musicals is  
ment. We have already had  
day Night Fever, and a  
of weeks ago American  
War told the story of  
Freed, the disc jockey  
led to a great extent  
in its first multi-racial  
subversive form. Every  
studio has rock films in  
suspense. CIO will release  
about eight this year—  
the National Film Theatre  
presenting a month-long sea-  
son in August called "Eme-  
rald of the Seventies."  
Music in the Seventies  
is a kind of survival, a  
testimony; and it may  
be more clearly than any  
else that the great era  
is definitely ended. Certainly

Hoo  
n Space

g Wardle

heat about the bush, the  
Space has picked up  
and nasty crinkler to  
rate its tenth birthday. As  
is nothing cheap about  
casting (Georgina Hale,  
Suzman, Estelle Kohler),  
but the whole run will  
to houses as packed as  
of Wednesday. The  
is to point in greeting  
occasion with empty com-  
ments out of respect to  
the present financial

my opinion, the Open  
is the most irreplaceable  
admo's little theatres: a  
je experimental house in  
reart tradition of creative  
ricity, hamstrung neither  
pendence on any larger  
don nor by subservience  
bition. I admire its attach-  
to group work, its choice  
of writers, its autonomy  
al, and political shows.  
Jointly accumulate into  
of unequalled breadth  
air. The one thing I do  
doubt is the taste for a  
o kind of leering, artist-  
sex comedy which has  
ed up periodically  
about the theatre's history  
of which Philip Mag-  
y's knowing little piece is  
best example.

is a farce for two richly  
ed bookers who descend  
eir former madame at her  
l residence during an  
mic summit conference  
nbering the last Meg-  
play in London. Section  
y expect some intricate  
lements between the  
al and political supremos.  
at it all. Occasionally one  
s' looks out into the  
ad and a wistfully deri-  
e about all the "crooks  
sities" credit cards out  
on the yacht. We learn  
Suzman's phone went  
for six months after  
and that the Arabian  
is building up. But all  
and a good deal more,  
sity decoration. Leaving  
a public element, we are  
ith a small, private play

ng Vic Studio

Chaillet

Albert Speer, a war crime  
er kindly favoured by  
ssing years than Rudolf  
has given his kind per-  
" to Michael Burrell in  
his impression of Hess  
his book, *Standand: The  
Diaries*. A mere 67 words,  
but is important is the  
fact that Speer, who ac-  
cording to Herr Speer,  
architect, while Hitler  
who flew the sheet solo  
to Britain in 1941 in a  
ic peace-making attempt  
is guarded by hundreds of  
re from the four occupa-  
y of Berlin, the last  
ing prisoner in Spandau

Burrell imagines what  
might say if a perforated  
should get him as far as  
atal and he should then  
across an English audi-  
the largest crowd of  
ers has been since the  
berg trials. His speech  
s among the memories  
light, and is interspersed  
commentaries on current  
s, gleaned from the four  
pers he is allowed to  
ach day.

words, not surprisingly,  
ainly Mein Kampf perco-  
through more than 30  
of solitary imprisonment.  
Burrell could not know just  
Hess might say in a

ie Esmond at the  
lenstein

interest aroused by the  
ogs and gouaches of Diane  
id has called for an exten-  
sion of her exhibition at  
Villenstein Gallery until  
4. The works shown are  
personal and unusual  
in their richness and  
ity of colour, and design  
can be appreciated alter-  
ly as a surface arrange-  
of forms and colours or as

The Last Waltz, the most  
recent and by any standards  
the best rock film so far, is  
more strongly marked by its  
final and elegiac tone.

Ostensibly Martin Scorsese's  
film is documentary, the  
cinéma vérité record of an  
event in the life of Woodstock  
(on which Scorsese worked as  
editor) and *Gimme Shelter*.  
It was shot at the farewell  
performance of The Band at Win-  
terland, San Francisco, on  
Thanksgiving Day, 1976. The  
Band had been together for 16  
years, since they were Ronnie  
Hawkins' Hawks; but said the  
leader, Robbie Robertson, "at  
the end of our 1976 summer  
tour there was a strange feel-  
ing in the air, there was a  
sense of emptiness or some-  
thing. We just tried to under-  
stand what was going on, we  
tried to check it out in every  
way possible. We even checked  
astrologues, the Bible, things  
like that, and it all pointed  
one direction: The Band's next  
performance would be its last."  
The venue was chosen  
because it was at Winterland  
that the group was first estab-  
lished as a major rock group  
in 1969.

A six-hour event is summa-  
rised in two hours, which  
afford a bird's-eye view of two  
decades of rock music; the  
history of The Band, the  
story of their friends and some-  
time associates, including Bob  
Dylan, Neil Diamond, Ronnie  
Hawkins, Dr John and Eric  
Clapton, all of whom make  
appearances; and tributes to

their antecedents in country  
and blues, like the veteran  
Muddy Waters who sings,  
embraced in the reverence of  
the band, "Manish Boy." Be-  
hind the numbers the five  
members of the group talk  
casually about rock, about  
their long years on the road  
(evocative as the phrase is),  
and of their overwhelming ter-  
ror that these 16 years could  
have extended into 20 and mid-  
dle age.

On the surface the method  
looks familiar, even if the  
event is not quite like the rest.  
But the special charge of *The  
Last Waltz*—even if you're not  
ready responsive to rock (and I  
regret that I turned off a bit  
too old for it)—comes from  
Scorsese's calculated and cre-  
ative treatment of his materials.  
Nothing is fortuitous or ac-  
cidental or improvised (or  
hardly): it seems that the  
coverage of Muddy Waters is  
as good as it is because the  
cameraman had his earphones  
off and did not hear Scorsese's  
instruction to be somewhere  
else at the time).

Scorsese worked closely with  
Robbie Robertson, who appears  
on the credits as producer of  
the film. Before the concert he  
had prepared a 300-page  
camera script, choreographing  
the shooting from beginning to  
end of the concert. Seven light-  
ing cameramen included out-  
standing feature-film cinematog-  
raphers like Laszlo Kovacs  
and Vilmos Szigmond.

Three additional numbers  
including Emmylou Harris's  
"Evangeline" and the haun-  
ting, Straussian "Last Waltz"  
finale, were specially shot  
after the concert and interpo-  
lated. Scorsese used his art  
director from New York, New  
York, Boris Levin; and they  
rented the decor of the San  
Francisco Opera House produc-  
tion of *Traviata*. "It was a  
strange Visconti kind of set-  
ting," said Scorsese; "I loved  
it." For the finale, when the  
camera draws back from "The  
Last Waltz" number, and back  
further until the sound  
diminishes to a vague memory  
of an orchestra tuning up, they  
used the long lane of lights  
from the railway station set of  
*Silver Street*.

Scorsese, in fact, organized  
and controlled and augmented  
his documentary material as if  
he were making a feature film.  
He hardly once shows the  
audience, whose presence is  
felt only as the groundswell of  
applause between numbers,  
but chooses to concentrate on  
the performers in their web of  
spotlights, misted with the dust  
in the air. The concert,  
Robertson explains, is a cele-  
bration. "Of what?" asks  
Scorsese, who wanders on and  
off the screen from time to  
time; "a beginning or an  
end?"

The beginnings are in the  
ends. Nostalgically the group  
talks of incidents from the  
aspiring early days. The his-  
torical origins of rock are  
recalled; and the way that the  
new music killed off the very  
influences that gave it birth.

The concert is a triumph, the  
music is ecstatic; and yet it is  
overlaid with a sense of elegy,  
though not regret. Scorsese  
perceives the memory of an  
era and of his own generation.  
It is a great piece of virtu-  
tous film-making; but beyond  
that, it conveys the sense of an  
experience. Even alongside  
Dylan and Diamond and  
Muddy Waters, Robbie Robert-  
son dominates the event, smil-  
ing, charming, gentle and de-  
finitely the strongest man  
around. Asked what he will do  
now, that The Band is over, he  
speculates "I just make music,  
try to stay busy." Evidently  
the outcome is not to be quite  
like this: his appearance in  
*The Last Waltz* has already  
resulted in contracts for acting,  
roles in *House Calls* it is  
still quite clear that he has a  
very special talent for comedy,  
but he is handicapped by a  
script full of good ideas which  
four scriptwriters have not  
quite brought into line. The  
basic notion is comedy on Neil  
Simon lines: an odd couple  
past the age of romance—she  
a surgeon just widowed and  
making up for the years of  
fidelity before the menopause;  
she a divorcee scribbled of illu-  
sions—are engaged in the sort  
of sparring that ends in reluc-  
tant tolerance and possible  
marriage. Walter Matthau,  
back bent and face inevitably  
crippled by the misery of  
living, cannot be faulted in  
this kind of comedy; and  
Glenda Jackson reveals an al-  
together more attractive side

es a shrewd comedian; and if  
they do not exactly seem to  
least their differences make  
for interesting abrasions.

Parallel with the mari-  
monial comedy and some sharp  
words about the Anglo-Saxon  
male chauvinist's uncomfort-  
able conviction that the de-  
vils he is not getting are greener  
than the ones he is, there is a  
second line of satire about  
American medical practice.  
Sometimes the two themes are  
complementary; sometimes  
parallel; and sometimes they  
simply take off in opposite  
directions and have to be  
rehabilitated by such desperate  
devices as putting poor  
Matthau in drag.

The parts are often excel-  
lent. The scenes of the awful  
crisis, when the wife bill  
figures much bigger than the  
husband, are mostly stolen by  
Art Carney as the senile medi-  
cal superintendent, wandering  
in mind and body, but capable  
of the most impressive of the  
five million dollars or his job  
is at stake. For all its  
vagaries, it is full of fun.

After the first, the mesmeric  
little girl from *Spirit of the  
East*, with eyes like a baby  
seal's and a gaze of disconcert-  
ing steadiness and solemnity, is  
a gift—and also perhaps a  
trap—for film-makers. Her  
special talents attracted Carlos  
Saura to build *Cris Cuervos*  
around her (the title *Raven*  
refers to a Spanish  
proverb, "Ravens ravens and  
they will peck out your  
eyes").

The grown-up Asia (Gera-  
dine Chaplin) looks back 20  
years from 1955 on her child-  
hood in a hermetic old house  
in Madrid. (The child Asia (Asia  
Torrent) witnesses her mother  
suffering at the hands of her  
neglectful and philandering  
father, a Prunty officer. She  
sees her father expire in the  
bed of his mistress, and her  
mother (Gerardine Chaplin  
again) die from an agonizing  
cancer. Brought up by her un-  
loving aunt and an old family  
retainer, little Asia escapes  
into fantasies that she is mis-  
tress of life and death, at will  
conjuring her mother back to  
life, and destroying her  
enemies with her little tin of  
poison.)

It is a beautifully filmed and  
convincing evocation of the  
pains and mysteries and cer-  
tainties of childhood. Saura  
belongs to the generation of  
younger Spanish film-makers  
which was awakened by the  
Bauhaus; and there are frank  
homages to the master. The  
chicken feed in the refrigerator  
is a reference to *The Extermi-  
nating Angel*. Asia's wide-  
eyed delight in having, she  
thinks, killed her father,  
recalls the joy of the young  
Archibaldo de la Cruz at the  
death of his governor, Saura's  
film is not quite *Archibaldo*,  
perhaps; but if it goes not much  
farther than an impressionist  
evocation of childhood and  
it does it all expertly and  
touchingly.

Later he got carried away  
completely. Like all visitors to  
Borges, Mr Robinson read to  
him, choosing a section of  
Thomas Brown's *Urn Burial*.  
"By George, that's good  
stuff," he cried, laying the  
book down, but if the blind  
poet was perplexed by this sud-  
den assault of English endu-  
siasm from across the room, he  
did not show it, lucidly going  
on to discuss the extensive ar-  
metric merits of English and  
Spanish, the greatness of Shake-  
speare ("Not typically Eng-  
lish"), and of Cervantes ("Not  
typically Spanish") and lan-  
guage itself, in which, he believed,  
sound mattered more than  
sense.

The conversation ranged  
further over the pleasures of  
*Beowulf*; the unbeliever's com-  
fort of an oblivion in which he  
will finally be able to forget  
himself; the impossibility of  
reading novels except by Con-  
rad and perhaps Dickens;  
natural human violence and the  
symbol of the knife stands for  
Argentina the knife stands for  
personal courage, in England  
it is perfidious, no?") and the  
fact that good readers were  
even rarer than good writers.  
All this was intercut by Philip  
Simpson with shots of Buenos  
Aires—tatty, but impressively  
dimly alluding, like the works  
of Borges himself, to a memory  
of other cities, cultures and  
times. In sum, a tantalizing, in-  
complete but undeniably haunt-  
ing witness to genius in its  
place.

A spellbinding occasion, this  
special interview by the Book  
Programme team from Buenos  
Aires: Borges himself, now 79,  
spun a mood half-mystical and  
half of this earth; Mr Robinson,  
who turned in an excellent nar-  
rative script, was rather less so  
control when teasing answers  
out of the facilitator and gentle  
Anglophile. The questions were  
intelligent enough, but Robins-  
on was sometimes fazed (and  
who would not he?) by the  
answers, and there was one par-  
ticularly bad moment when he  
said he wished he'd written that  
(I forget what exactly).

Philharmonia/Rattle  
Albert Hall/Radio 3

Paul Griffiths

Among the many discoveries  
reemerging at this year's  
promenade concerts is Maxwell  
Davies' symphony, first per-  
formed six months ago and re-  
peated on Wednesday in the  
company the composer has sug-  
gested for it, Sibelius's fifth  
symphony. The concert began  
rather irreverently with Ravel's  
*Mother Goose* suite, though it  
would be churlish to complain  
when the Philharmonia  
Orchestra played so prettily for  
Simon Rattle.

Pretty the Davies symphony  
certainly is not. If the Ravel  
had lulled us with its charm,  
the Davies came as a sharp call  
to attention. Its first movement  
aspir with violent sound-images  
and strenuous thought. To fol-  
low that thought is still not  
easy, and I doubt if it ever  
will be. In the first place,  
Davies's ideas are acutely dis-  
sonant; they knife their way into  
the imagination.

As for the musical argu-  
ment, it is openly displayed and yet  
it remains bewildering and im-  
penetrable. I had the impression

of listening to a debate of an  
early council of the Church; the  
terms are evidently chosen with  
exactitude and clearly they  
matter, but one appreciates only  
a tenth of what is going on. It  
may be impertinent to suggest  
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of the dancers, but the ballet  
works mainly as a straightfor-  
ward set of dances which use  
the modern-dance technique of  
the cast in a more classical way  
than their other works.

The middle part of this pro-  
gramme introduces a dramatic  
duet by Yair Vardi to double up  
with the Fanov's more rhapsodic  
Bachman. Vardi (a former Bat-  
sheva dancer) with Ballet  
Rambert) set As I Wish to the  
first two movements of Gio-  
stera's Quartet No 2. It shows  
a couple locked in some kind  
of loving conflict, but I thought  
the emotional progression was  
less clearly displayed than when  
Verdi himself danced it at a  
recent Rambert workshop.



## Graham Sutherland: still a law unto himself

To interview Graham Sutherland a few days after his friend Henry Moore provides a fascinat-  
ing contrast. Moore is a man of  
great simplicity and open-  
ness, but Sutherland is a man  
of great complexity and mys-  
tery. Sutherland, who has been  
abroad, it was a sort of  
awakening.

He maintained the link as a  
war artist, visiting Sraoese  
after it was bombed, and being  
fascinated by the primitiveness  
and dangers of steel produc-  
tion. "It was a Danteque kind  
of atmosphere," he recalled.  
He has returned for the last  
10 years from his home in  
Menton in France, but near his  
best customers, the Italians,  
and finds that the countryside  
has lost none of its old power  
to charge his batteries.

His paintings of nature still  
have a suggested, that strange  
and anthropomorphic quality which  
gave them their loaded, dis-  
quieting atmosphere. Some did  
and some didn't, he thought.  
There had been a stage in his  
work when he felt he could not  
fashion the human figure itself,  
but wanted something that could  
be detached from its environ-  
ment (not rooted like a tree).  
Hence those quasi-human, quasi-  
natural forms.

There was still a human ele-  
ment, himself. Given the con-  
fusion of nature, and the mys-  
tery of it, he needed to make  
a statement not of what he saw,  
but parallel to it, an expression  
largely of what he felt about it.

"I am interested in the forms  
of nature, and above all in their  
rhythmic equilibrium. If you  
look at a thing long enough,  
or you are on a sufficiently  
happy day, you can see almost  
at a glance this extraordinary  
complex and self-contained  
rhythm which ultimately for me  
is the most fascinating thing."

Sutherland is intrigued by the  
overlappings and inter-rela-  
tionships between human forms,  
machine forms and natural  
forms. Just as one suddenly  
comes upon a tree or meadow  
that seems to have a peculiarly  
metaphysical quality, he finds  
his inspiration while ques-  
ting around for that complex rhythm.  
"If I pass a set of circum-  
stances," as I call them, six  
times, it means nothing to me.  
Suddenly, the seventh time, it  
might mean something... you  
think this could be the human  
face of a painting. And then the  
struggle begins. You have to go  
back and back in try and dis-  
entangle something which  
appears insoluble—and often is,  
so it is so much time wasted."

He still regards the destruc-  
tion of his Churchill portrait  
—disclosed last year after Lady  
Spencer-Churchill's death—as a  
form of vandalism. "On the  
other hand, it's not something  
I feel the least bit bitter about.  
I didn't at the time, I don't  
now." Maybe, he mused, he  
should never have attempted  
it: nowadays the faces of the  
famous were so familiar, thanks  
to the media. In the days of  
yore, a portrait was a rare and  
valuable thing, and the royal  
family for example were more  
or less immortal, had no image  
to lose, and were painted with  
a frankness unthinkable today.

Next month he returns to  
the house he and his wife (they  
are an exceptionally close  
couple) bought in Meotou  
around 1956, partly for the  
health, partly because the light  
enabled him to work when  
necessary from 7 am to 7 pm.  
As I depend on a great deal  
of a linear development from  
quite small studies, they have  
to be squared up to put them  
on a big scale, so I need a very  
good and constant light...  
but more and more I am try-  
ing to simplify and shed those  
preliminary stages, which are  
a means to an end. The signs  
are that he will be delighting  
and baffling his public for  
many years to come with his  
search for nature's complex  
but elusive rhythms.

Very few people have  
liked my portraits. Maugham  
was shocked, at first. Beaver-  
brook (whose Sutherland's wife  
delivered him) said, "Well,  
Kathy, it's an outrage, but it's  
a masterpiece." The fort of  
contract he used allowed those  
who commissioned not to take  
delivery, just as he himself  
could withhold it. He wanted, as  
he had done in four or five  
instances. But only two or  
three had been rejected. He  
certainly did not do them for  
the money: for some 20 of the  
30 or so he had done, he had  
received hardly more than  
£1,000. For the last five or six

years the price had been  
between £5,000 and £7,000, now  
a little more. He had turned  
down commissions for roughly  
the same number again.

"I think I do them out of  
sheer curiosity," he said. "I  
think painting them is good  
discipline, and keeps my nose  
to the ground a bit, but they  
are difficult—not least, be-  
cause with commissions one  
knows much time setting to  
know the subject."

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John McCabe's tribute to the summer of '76

Reflections of a  
Summer Night  
Fishguard Festival

Kenneth Loveland

The Fishguard Festival has a  
reputation for spotting winners.  
William Machias's *This World's  
Joy* went straight into the  
choral repertoire and some-  
thing similar could happen to  
John McCabe's *Reflections of a  
Summer Night*. It will appeal  
to choirs who want to tackle  
new music (there are many in  
the provinces these days), but  
expect it to show a professional  
regard for performing prac-  
ticables, and will satisfy audi-  
ences who are similarly pre-

pared to meet the challenge,  
but expect it to be in a lan-  
guage that is comprehensible.  
For small choir and or-  
chestra, *Reflections of a Summer  
Night* has two inspirational  
sources. The first, and  
abstract is personal to the  
festival and involves the com-  
poser's own nostalgic recollec-  
tions of nights in the Pembroke-  
shire countryside during the  
hot summer of 1976. The  
second, and factual, is to five  
poems astutely chosen to form  
a unified cycle which are all  
romantic and descriptive.  
Tennyson's "Song of the Lotus  
Eaters" provides the dreamy  
start, while Keats's "Ode to a  
Nightingale" the whispering  
ending.

So McCabe is really recording  
two responses, one to things  
seen, the other to words. It is  
something he blends comfort-  
ably, as we know from *Autumn  
vi Alba* of 1970, which is  
touched with the exotic. In  
*Reflections of a Summer Night*  
the music is naturally more  
contemplative and the tempo  
drift lazily.

The soft textures are condi-  
tioned by strings which remain  
muted throughout, and by the  
use of a harpsichord which,  
together with the economically  
employed percussion, gives glit-  
tering of metaphor and meta-  
phor. The music is naturally  
dark colours. Otherwise in the  
four linking orchestral inter-  
ludes (the piece is in one move-  
ment) McCabe has not looked  
far beyond the nocturnal hor-  
calls and sonorous lines for  
flute and oboe traditional to  
this kind of night music. He  
hardly needs to, since the  
instrumental patterns resulting

are evocative and innocent.  
The choral writing, in con-  
trast, is concentrated and might  
profitably have explored a wider  
harmonic range. Yet it does  
convey the image implicit in  
the title, and the surrender to  
an idea. Both as a spinner of  
atmosphere and as an explorer  
of words, McCabe appears skil-  
fully in control of his intentions,  
and the work has a logical  
unity.

Of this, the first performance  
by the John Davies Singers and  
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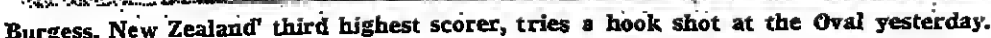
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**By John Woodcock**

Conyon establishes a New Zealand record.

In the first over of the match, the first two to find leg off were Willis; in the second Anderson hooked Old for four. These were the last runs to come from the bat in the 35 overs. In the third Anderson, trying to force Old square on the off side, chipped him into his stumps. New Zealand were not out, and not out on an easy one. Willis ran. From round the wicket to the square, Old was not out, and nothing away. Old and Botham moved the ball about enough in the first 90 minutes for England to get a second wicket. Old was one wicket they got before lunch.

When he was 16, Wright might have been caught at second slip. In the 1950s, he was a member of the Roope, the first of three sharp changes he missed during the day. The chance was given by Howarth. In the 22nd over, the second slip was off. Botham. Howarth at the slip was 26. The third was of no consequence. Edging was not a thing. He was not out, and not out, having still failed to score and not having a second wicket. In the 25th over, Miller caught and bowled him.

At lunch New Zealand were 64-0 for one wicket. In the first 25 minutes afterwards, Wright and Howarth made another 34. In the 30th over, Wright was out through the midwicket. That is his favourite country. But it is in trying to force Willis between square and a change by Radley, he was running to his right from the mid-wicket position. Wright looked at the setting sun and saw a good player, and improving.

Wright and Howarth had put on 50 runs only. In the 35th over, New Zealand's second wicket record against England, held by two great stalwarts, Reid and Straker, was broken. In the 35th minutes to get off the mark, Anderson. Willis at one end and Miller, howling from round the wicket, were not out. The score was magnificently accurate and it was in trying to break out against him that Edgar was caught and bowled.

With a top score of 39 not out in the first-class innings, Burgess could have been the first New Zealand batsman to be a century. But he was fortunate in having

The International Cricket Conference has decided not to allow South Africa back into Test cricket, but a delegation may be sent to the country in the near future. Announcing the decision, the ICC president, Jack Bailey, said that the decision was not intended to go as far as to state publicly that they did not want to be associated with South Africa, but to send a delegation. They were West Indies, India, Pakistan, East Africa, Bangladesh, Sri Lanka and Australia. Canada, New Zealand, Ceylon, Canada and Singapore, abstained from voting.

Although there was no actual proposal before the ICC to readmit South Africa to the Test match scene the conference discussed the possibility of the developments made towards multi-racial cricket since South Africa was involved in Test cricket in 1970.

The South Africans were expelled from the old Imperial Cricket Conference automatically, when they left the Commonwealth of Nations. The conference then changed its name, they were not brought back into the fold.

The South Africans last played in England in 1965. They were to return to the test arena in 1970, but James Callaghan, then Home Secretary, banned their tour because of possible disruption by anti-apartheid demonstrators.

The full statement issued by Mr Bailey from Lord's yesterday said that the "cricketing link" took place regarding South African cricket led to agreement that there was no immediate prospect of "renewed cricketing links between any member country and South Africa, or between any member country and the Government of South Africa, joining

A. BIRNBAUM	
WARWICKSHIRE: 1. Amies, 100	252
York: dec. 11. Amies, 100	253
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Amies, 100	389
Amies, 100	390
Amies,	

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NOTTINGHAMSHIRE: First Innings		
M. J. Harris, c Embury, b	78	
P. A. Todd, c Gould, b Selvey	33	
W. D. Randall, b Embury	3	
C. E. B. Jones, run out	5	
J. D. Birch, b-cw, b Selvey	4	
J. H. Randall, c Gould, b	60	
E. French, c Tomlinas, b Embury	1	
D. R. Dool, c Gould, b Selvey	10	
J. Deniel, not out	10	
M. E. Allwood, b Handel	0	
D. R. Dool, c Gould, b Daniel	0	
Not out	1	61
Total (80 overs)	133	
FALL OF WICKETS: 1-25, 2-28,		
3-41, 4-41, 5-135, 6-136, 7-170, 8-170, 9-170, 10-170		
BOWLING: Daniel, 12-4-26-31;		
Selvey, 19-5-36-21; Embury, 3-1-1-0; Gould, 2-6-5-1; French, 18-4-16-		

[illegible]

By Richard Streeton

**NORTHAMPTON:** Essex, with eight second-innings wickets in hand, lead Northamptonshire by more runs.

Essex slightly the worse of a lively day's play yesterday. Northamptonshire's first batted with dash and effectiveness and took 10 wickets, but lost their two important wickets. Denness was leg-before against a ball of full length and Hardisty was caught behind. Generally, bowlers had a hard time.

Essex, the bat rather than the ball ruled, the contrast with most of Wednesday's play being attributable to the fine pitch. It had dried out and offered bowlers little encouragement. It should also have been a help to Essex, as Northamptonshire's lowly place in the table can be traced more to the ebbs of the batting than to any lack of season and other shortcomings in attack rather than any weakness

Throughout the cricket had been a challenging spirit that could be felt. Essex batted for a further 10 minutes before being dismissed at three hours thirty minutes before declaring with overs in hand. The first day's play was over and more fruitfully. Overall the first day's lost time has been made up and an atmosphere of anticipation pervaded the ground as the second day opened. There was no rain and the weather was idyllic. At its best three-day cricket remains a stirring affair and it is the right circumstances and approach.

Norham-pshire's total of 302 runs for two comprised an ideal first-innings partnership between Larkins' both brisk and sound; and stroke-making by fluent and vigorous follow-up from Stiles who by no means was overshadowed. Lever looked the best of the Essex bowlers, but he was not the most successful wicket than anyone else and was desperately unlucky outside the off-stump more than once.

The second day ended with Essex too short; Acfield and East

By Alan Gibson

**LEICESTER:** Leicestershire, with its green hills and its wickets in hand, lead Kent by 103 runs.

It was a day dominated by a heavy wind, which blew fiercely from the south-west. It did not bring rain with it—unforgiving to the batsmen, but good enough to bring some heavy showers on the way from High Littleton. It did, however, frequently blow off the nails. The Leicestershire secretary, this gentleman, had said the batsmen spent much time searching for heavier balls.

There is no definition of what constitutes a "heavier ball" but it is what he had said that it was what they had, and grass from the weight to the palm of their hands. Alex Skelfield, of whom I always think when I come to Leicester, would have sensed for doing without any bias, and left it to the wisdom of the umpires, whether the batsmen's "heavies" had really been taken off or not.

Leicestershire, beginning at 151 for five in 70 overs, had reached 200 in the third hour, and were at the end of the hundred; but by then Kent had taken four points for bowling. Illingworth and Tel-

Some of his drives reminded me of Feldman's puns of 1950. Trumper. He should surely be chosen for the Australian unless Mr Packer snags him. He is a sideways batsman, a ready to go forward, quick to the bat.

Whether he has the temperament for the tough stuff we do not yet know. But the Taravans seem though long established as a team of Kent's worst batsmen.

Mr. Huguereux, driven from France after the Revocation of the Edict of Nantes: And Huguereux had a habit of saying, "I am a Frenchman, but I am a brave Crillon! We fight at Arques, and you were there."

**LEICESTERSHIRE:** First Innings

1. R. Steele b Jarvis ..... 10  
2. J. Baines ..... 10  
3. J. Baines ..... 10  
4. J. Baines ..... 10  
5. J. Baines ..... 10  
6. J. Baines ..... 10  
7. J. Baines ..... 10  
8. J. Baines ..... 10  
9. J. Baines ..... 10  
10. J. Baines ..... 10

Total 9 wickets, 115 runs closed in 70 overs.

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6. J. Baines ..... 10  
7. J. Baines ..... 10  
8. J. Baines ..... 10  
9. J. Baines ..... 10  
10. J. Baines ..... 10

Total 9 wickets, 115 runs closed in 70 overs.

Bloch stooped around a bit. It was up to Kent to go for the runs, as aspirant champion. But on a pitch that they did not find it easy. Higgs bowled a long and accurate opening spell, and had a few more in the second and fourth over, when the total was 29.

Rowe, who has scored a lot of runs for Kent this season, was caught at the wicket in the twenty-seventh over. The run-rate was 1.04. The next over was bowled by Ealham came in at No. 4, and bucked things up. He was caught at cover, the total 132 in the twenty-eighth over. The total did not look comfortable, nor did the last-end. Leicestershire sealed the on-again off-again bowling on the outside of the off-stump.

However, Tyravé, after seizing in with deliberate caution, began to get things going. He had had so far six runs. He really did very well. If you had never seen him bat before, and had no idea to what you were, you would have known he was a player of his class.

BOWLING: 1st 17. Higgs, 17. 2nd 17. Higgs, 17. 3rd 17. Higgs, 17. 4th 17. Higgs, 17. 5th 17. Higgs, 17. 6th 17. Higgs, 17. 7th 17. Higgs, 17. 8th 17. Higgs, 17. 9th 17. Higgs, 17. 10th 17. Higgs, 17. 11th 17. Higgs, 17. 12th 17. Higgs, 17. 13th 17. Higgs, 17. 14th 17. Higgs, 17. 15th 17. Higgs, 17. 16th 17. Higgs, 17. 17th 17. Higgs, 17. 18th 17. Higgs, 17. 19th 17. Higgs, 17. 20th 17. Higgs, 17. 21st 17. Higgs, 17. 22nd 17. Higgs, 17. 23rd 17. Higgs, 17. 24th 17. Higgs, 17. 25th 17. Higgs, 17. 26th 17. Higgs, 17. 27th 17. Higgs, 17. 28th 17. Higgs, 17. 29th 17. Higgs, 17. 30th 17. Higgs, 17. 31st 17. Higgs, 17. 32nd 17. Higgs, 17. 33rd 17. Higgs, 17. 34th 17. Higgs, 17. 35th 17. Higgs, 17. 36th 17. Higgs, 17. 37th 17. Higgs, 17. 38th 17. Higgs, 17. 39th 17. Higgs, 17. 40th 17. Higgs, 17. 41st 17. Higgs, 17. 42nd 17. Higgs, 17. 43rd 17. Higgs, 17. 44th 17. Higgs, 17. 45th 17. Higgs, 17. 46th 17. Higgs, 17. 47th 17. Higgs, 17. 48th 17. Higgs, 17. 49th 17. Higgs, 17. 50th 17. 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Higgs, 17. 241st 17. Higgs, 17. 242nd 17. Higgs, 17. 243rd 17. Higgs, 17. 244th 17. Higgs, 17. 245th 17. Higgs, 17.

Geoffrey Boycott's 107th first class century of his career, his third in successive innings stood off yesterday in a Sheffield match in which Glamorgan left off 253 behind Yorkshire with seven wickets in hand.

Boycott's 118 (12 fours) came in 229 minutes off particularly concentrated batting and Lumb (10 fours) in 67, helped him in a series of 508 which was the Glamorgan bowlers vainly tried to separate them.

But when Yorkshire were chasing quick runs before their 100 overs ran, the fourth wicket fell in 219 minutes for Lloyd hitting by Hampshire (39) and Bailsow (30) to play a leading part in the total reaching 318.

Cracked his 85 minute batting, Glamorgan lost three wickets in scoring 65.

Yorkshire then launched a final assault to the game nicely poised for last day.

**Birmingham**

Clive Lloyd hammered his championship century of his century for Lancashire while Hampshire's partnership of Hayes (80) and Reidy (46) not against Warwickshire.

Lloyd, after hitting 18 fours, a six in 180 minutes, was 111 not out when Hampshire declared ahead at 305 for four.

Warwickshire then replied an unbroken opening stand of 108 hours between the two run makers, Amis (50 not out and David Smith (42 not out).

Hayes, who cracked 14 fours and a six, made the most of his 100 minutes, scoring 140 with Lloyd. Reidy played a forceful role when

**Derby**  
An aggressive unbeaten 55 from the all-rounder Taylor and a patient half century from Cowley, steered Hampshire to a 23-run lead and carried them within a single run of the leading point in their championship game against Derbyshire.

Hampshire closed at 249 for six from 58 overs in reply to Derbyshire's 247 from 58 overs. The former Derbyshire seam bowler, Stevenson, wrecked his fourth 50 with figures of four for 50 as they lost their remaining seven wickets for 78 runs before lunch.

Hampshire struggled initially against a Derbyshire attack lacking in pace, but they were helped by bowlers, Hendrick and Miller, and the left arm bowler, Tunnicliffe, out injured.

Turner repaired the early damage with a solid 45. Cowley built some new foundations, and Taylor

lost 103 runs came to 26 overs.

**Nottingham**  
Nottinghamshire slumped to a disappointing 151, all out—69 runs from 48 overs—in the second round. Middlesex, who declared 250 for seven just before 1.00, took a tight stranglehold of the match, as they took 11 for 44 runs and then took four Notts wickets for just 10 runs.

Only a brilliant, fighting wicket stand of 108 between E. and J. Walters gave them a chance of reaching Middlesex target.

Smedley was finally dismissed for when he was caught by Gould. Harris was snapper at cover point by Emburey 78 and the Middlesex fast bowler, Doolan, easily mopped up the last three wickets for 151.

Notts quickly removed St. He tried to steer race through the middle and was clean bowled the close they were 21 for one.

### His best score

**HOVE:** Sussex, with all their batsmen struggling in hand around 50, were bowled out for 15 runs behind Surrey.

Alan Boucher the 24-year-old Surrey opening batsman, scored a magnificent career best 188 against the Sussex batsmen. He took 5 and 26 fairs in an innings of four hours 24 minutes which demoralised the Sussex batsmen.

Sussex added 65 to their overnight score before declaring at 301 for four and then sent back the Surrey bowlers. The Surrey batsmen they had of a serious breakthrough were quickly dispensed by Butcher and Youngs, who hunted Atkinson and Boucher for the second and third wicket of 43 overs.

Baker joined Butcher in a third wicket partnership of 100 runs, which was monopolised by his partner that he was only able to score 15.

When Surrey had reached 222, the Sussex bowlers were ordered to deliver, apparently as a protest against the decision of Surrey to play the Nottinghamshire team.

Butcher stood all four hours 24 minutes, scoring all four

SUSSEX: First Innings	
C. Woollacott	17
D. Mendis, c and b Inishah	120
Parke, c Butcher	120
Jackson	120
P. Phillips, not out	23
W. Phillips, not out	23
Khan, not out	31
Extras (b-w)	31
Total (all wickets dec.)	372
overs	301
S. J. Storey, M. A. Buzs, A. S. C.	
Pegau, A. Long and C. E. Waller	
did not bat	
FALL OF WICKETS: 1-32-2-112-3-135-4-135-5-135-6-135-7-135-8-135-9-135-10-135-11-135-12-135-13-135-14-135-15-135-16-135-17-135-18-135-19-135-20-135-21-135-22-135-23-135-24-135-25-135-26-135-27-135-28-135-29-135-30-135-31-135-32-135-33-135-34-135-35-135-36-135-37-135-38-135-39-135-40-135-41-135-42-135-43-135-44-135-45-135-46-135-47-135-48-135-49-135-50-135-51-135-52-135-53-135-54-135-55-135-56-135-57-135-58-135-59-135-60-135-61-135-62-135-63-135-64-135-65-135-66-135-67-135-68-135-69-135-70-135-71-135-72-135-73-135-74-135-75-135-76-135-77-135-78-135-79-135-80-135-81-135-82-135-83-135-84-135-85-135-86-135-87-135-88-135-89-135-90-135-91-135-92-135-93-135-94-135-95-135-96-135-97-135-98-135-99-135-100-135-101-135-102-135-103-135-104-135-105-135-106-135-107-135-108-135-109-135-110-135-111-135-112-135-113-135-114-135-115-135-116-135-117-135-118-135-119-135-120-135-121-135-122-135-123-135-124-135-125-135-126-135-127-135-128-135-129-135-130-135-131-135-132-135-133-135-134-135-135-136-135-137-135-138-135-139-135-140-135-141-135-142-135-143-135-144-135-145-135-146-135-147-135-148-135-149-135-150-135-151-135-152-135-153-135-154-135-155-135-156-135-157-135-158-135-159-135-160-135-161-135-162-135-163-135-164-135-165-135-166-135-167-135-168-135-169-135-170-135-171-135-172-135-173-135-174-135-175-135-176-135-177-135-178-135-179-135-180-135-181-135-182-135-183-135-184-135-185-135-186-135-187-135-188-135-189-135-190-135-191-135-192-135-193-135-194-135-195-135-196-135-197-135-198-135-199-135-200-135-201-135-202-135-203-135-204-135-205-135-206-135-207-135-208-135-209-135-210-135-211-135-212-135-213-135-214-135-215-135-216-135-217-135-218-135-219-135-220-135-221-135-222-135-223-135-224-135-225-135-226-135-227-135-228-135-229-135-230-135-231-135-232-135-233-135-234-135-235-135-236-135-237-135-238-135-239-135-240-135-241-135-242-135-243-135-244-135-245-135-246-135-247-135-248-135-249-135-250-135-251-135-252-135-253-135-254-135-255-135-256-135-257-135-258-135-259-135-260-135-261-135-262-135-263-135-264-135-265-135-266-135-267-135-268-135-269-135-270-135-271-135-272-135-273-135-274-135-275-135-276-135-277-135-278-135-279-135-280-135-281-135-282-135-283-135-284-135-285-135-286-135-287-135-288-135-289-135-290-135-291-135-292-135-293-135-294-135-295-135-296-135-297-135-298-135-299-135-300-135-301-135-302-135-303-135-304-135-305-135-306-135-307-135-308-135-309-135-310-135-311-135-312-135-313-135-314-135-315-135-316-135-317-135-318-135-319-135-320-135-321-135-322-135-323-135-324-135-325-135-326-135-327-135-328-135-329-135-330-135-331-135-332-135-333-135-334-135-335-135-336-135-337-135-338-135-339-135-340-135-341-135-342-135-343-135-344-135-345-135-346-135-347-135-348-135-349-135-350-135-351-135-352-135-353-135-354-135-355-135-356-135-357-135-358-135-359-135-360-135-361-135-362-135-363-135-364-135-365-135-366-135-367-135-368-135-369-135-370-135-371-135-372-135-373-135-374-135-375-135-376-135-377-135-378-135-379-135-380-135-381-135-382-135-383-135-384-135-385-135-386-135-387-135-388-135-389-135-390-135-391-135-392-135-393-135-394-135-395-135-396-135-397-135-398-135-399-135-400-135-401-135-402-135-403-135-404-135-405-135-406-135-407-135-408-135-409-135-410-135-411-135-412-135-413-135-414-135-415-135-416-135-417-135-418-135-419-135-420-135-421-135-422-135-423-135-424-135-425-135-426-135-427-135-428-135-429-135-430-135-431-135-432-135-433-135-434-135-435-135-436-135-437-135-438-135-439-135-440-135-441-135-442-135-443-135-444-135-445-135-446-135-447-135-448-135-449-135-450-135-451-135-452-135-453-135-454-135-455-135-456-135-457-135-458-135-459-135-460-135-461-135-462-135-463-135-464-135-465-135-466-135-467-135-468-135-469-135-470-135-471-135-472-135-473-135-474-135-475-135-476-13	

### And recovery

**TAUNTON:** Somerset with six wickets in hand, led Worcester by 10 runs.

An excellent 75 by Neale, 53 by Hemmell and 80 from Humphreys, helped Somerset to a comfortable recovery. Neale, batting 63 overs and hitting 11 fours, and Hemmell, with seven boundaries, put on a 100-run partnership for 111 minutes after starting at 32 for two.

The Worcester batsmen with 13 fouls out of a batting 39 overs, led by 10 runs at the end of the first hour. 26 overs with Watson, who made 38. Garner took five for 77.

Worcester's bowlers, 11 overs including the wicket of Hemmell, and Pringleon with two for 33 reduced Somerset to 58 for four. Somerset's last ended play 39 minutes early.

**SOMERSET:** Fast innings, 564 for 6. **Worcester:** 564 for 6. A. J. Richards 80, P. M. Redbeck 53, P. W. Dunning 38, J. W. Pringleon 38, W. Neale 75, J. W. Hemmell 80, J. Garner 38, J. Watson 26, J. Pringleon 11, J. Richards 3, Neale 6, Redbeck 30, Dunning 1.

V.	J. Marks	1-b-w.	o	Wabson	31
B.	W. Marks	1-b-w.	o	Nelson	31
B.	Exton	1-b-w.	o	Nelson	31
Total 14 wks 5					
V.	J. B. Taylor	1-b-w.	o	Breadwell	5
B.	Gardner	1-b-w.	o	Bredge and K	5
B.	Jennings	1-b-w.	o	Bredge and K	5
ALL OUT WICKETS: 1-1-1-3-3-5					
WORCESTERSHIRE: Final Innings					
G.	Dredge	Turner	c	Denning	4
B.	A. Arnold	c	Jennings	b	5
B.	C. Cress	1-b-w.	o	Wabson	5
B.	A. Meale	c	Jennings	b	Garner
B.	D. Pate	c	Taylor	b	Bredge
B.	A. P. Protheron	b	Garner	5	
B.	O. Konstler	c	Taylor	b	Garner
B.	J. R. Jones	1-b-w.	o	Garner	5
B.	C. R. Rushmore	1-b-w.	o	Marks	5
B.	C. W. Wilson	c	Slucombe	b	5
B.	Breadwell	1-b-w.	o	Wabson	5
B.	C. Cress	not out			5
B.	J. Cumbs	1-b-w.	o	Wabson	5
B.	Exton	6-1-1-1	w	1 b 1 b 1 b	5

Boxer yesterday won the title for the third straight time. Similarly, Surrey gained the consecutive women's championship. It is unusual for elite boxers to win a day after a defeat, so astonishing that this occurs in both events.

In addition to the Lloyds former internationals — as Farrell, Ann Jones, Winnie Griggs and Veronica Burn — the British women's team were in progress. Similarly, the sun was shining, the fight almost oppressive, and the crowd was so noisy that it was a relief to remind us that, for the moment, we were "in the County West" is a true fact. We had fun with family friends.

**Men**

Group 1 (at Eastbourne) Group 6, Middlesex 5; Essex 4; Surrey 3; Hampshire 2; Kent 1; Gloucestershire 0. Group 2 (at Huddersfield) Group 6, Devon 4; Herefordshire 3; Gloucestershire 2; Somerset 1; Wiltshire 0. Group 3 (at Huddersfield) Group 6, Devon 4; Herefordshire 3; Gloucestershire 2; Somerset 1; Wiltshire 0. Group 4 (at Huddersfield) Group 6, Devon 4; Herefordshire 3; Gloucestershire 2; Somerset 1; Wiltshire 0. Group 5 (at Huddersfield) Group 6, Devon 4; Herefordshire 3; Gloucestershire 2; Somerset 1; Wiltshire 0.

[illegible]

Vichy, July 27.—France will meet Czechoslovakia in the final of the men's under 16 Gales Tennis Cup beginning tomorrow after victories over Britain and Sweden, respectively.

Czechoslovakia took a winning 3-1 lead over Sweden today when Dusan Kulahj beat Mats Ljungman, the Swedish reserve, 6-4, 7-5. Ljungman replaced, in the second round, the Czechoslovakia reserve, J. Koran.

Earlier Czechoslovakia had taken a 2-1 lead when Ivan Lendl and Kulahj beat Tom Henriksen and Jan Kalhenk 6-4, 6-2 in their delayed doubles match.

France, qualified for their twelfth Gales final when Yannick Noah and Gilles More teated Britain's Andrew and Christopher Beales 6-4, 8-6. The match, completed this morning after washed out play yesterday and French players changing games. The doubles France a winning 3-0, 6-3.

France finally beat Britain with Pascal Fures and Guy Forget, 6-4, 6-3, winning a close final rally 1-6, 7-5. Czechoslovakia took today's reverse final to finish with a 4-1, Kulahj beat Ljungman and Lendl beat Henriksen 6-4, 6-3.

3-1.—Agence France-Press

# Football

## Operation will put Pearson out for start of season

Stuart Pearson, Manchester United's England striker, is going into hospital next week for a knee operation which will force him to miss the start of the season.

The trouble is believed to be a cyst on the cartilage, but the full extent of the problem will not be known until he is operated on. Pearsonso will go into hospital on Monday and have the operation on Tuesday.

The cartilage has caused him trouble for some time. Pearson will also miss United's tour of Germany, which starts today.

After a week of negotiations, Charlton Athletic have completed the resigning of Derek Hales, their former striker, from West Ham United. Charlton sold Hales to Derby County for £300,000 two

Norwich City's hopes of Donald Masson, the banished World Cup player, is setback yesterday when the Norwich manager, Joe that another club may be interested. Bond has set up deal with Derby Co. Masson.

Steven Carter, aged 25, County winger, has turned move to Walsall after division club had agreed a record £60,000 for his £1

Boston United, winners Northern Premier League times in the last six seasons yesterday that Kevin F. former Derby County striker agreed to join the club. aged 32, is at present p

# Ovett's time best in Eur

Turku, West Finland, July 27.—Britain's Steven Ovett recorded the best time for the 800 metres at Europe's first yearling championships, clocking one minute 45.4 seconds at an international athletics meet in there today.

Ovett finished 1.46cc ahead of Jean-Louis Van Landuyt of Belgium and his impressive run earned him a qualifying time for the European championships in Prague next month.

Ovett's win tonight completed a hectic double: He won a 1,500 metres race at an international meeting in Turku in 1:46.4 in three minutes 37.56sec—well inside the European qualifying mark. He was second to come out behind the 800 and 1,500 metres winners in Prague.—Reuter.

Algiers, July 27.—Filbert Bayi, the world record holder, led his team to French territory to win the medal at the Games with victory in the event.

In yesterday's 1,500 metres race, 19-year-old Kenyan army officer's head-basher Kenya's Kipsreut Koskei, clocked 3:42.57. He carried the lead into the race with 3:22.2 in 1974. Ken son Waigwa took the silver in the final with 3:48.48. Asst's Amos Bar 3:37.33.

Yohannes Mohamed, a player of a place, took make his rivals in the 5,000 race and give his own country a medal. He clocked 13:44.39, more than 10 minutes slower than the record set by Kenya's Kono earlier this year.

Kono, winner of the metres and 3,000 metres races in the 1974, can not run the 5,000 metres.

men's 1,500 metres at the African Games, four seconds slower than his own four-year-old world mark. Bayi, who has been off form this year, showed that he is still one of the world's top athletes in giving Tanzania their first gold medal in 13 years.

**Polo**

**Herrera scores six goals**

By Lavinia Watson

In the first semi-final round polo match of the Cowdroy Park Challenge Cup, played at Midhurst, Hampshire, on Saturday, the Argentine player, Herrera, scored six goals.

Handicap player, Moore, in style severely cramped by well-knit, compact side, 18 Mexican, Antonio Lieve, scored a hat-trick of goals.

Songhai, who are beautifully mounted on their horses, are the dark horses of this tournament. Stowell's much vaunted combination of Barrance and the 10-goal

dry Park, with DeWitt's 10-goal, is the favorite.

STOWELL PARK: 3, 24, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

SONGHAI: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

KEITH: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

O. SONGHAI (5).

**Yachting**

GRAPHAM WATER: European regatta, Oct. 1-10. Competitors: 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th.

ALPHABET: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

**Football**

NORTH AMERICAN

1. 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th.

2. 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th.

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4. 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th.

5.

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## McEvoy's amazing run is finally ended amid self-recrimination



**Michael Reece, who beat Ian Bradshaw in the fourth round but lost to Carrigill in the fifth.**

Before the dawn of the championship phase had been too bright, came to Garner over the last five holes and he had lost three of them. He came up with six to play. He lost the 13th, had to work desperately to salvage the 14th after missing the 15th, and then lost the 16th. He was in trouble at the 17th, and took three to reach a green-side bunker at the 18th.

Codwin failed to get a grip on this match early on and when he was down 1-2 he left Garner to finish. He lost the 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th, 101st, 102nd, 103rd, 104th, 105th, 106th, 107th, 108th, 109th, 110th, 111th, 112th, 113th, 114th, 115th, 116th, 117th, 118th, 119th, 120th, 121st, 122nd, 123rd, 124th, 125th, 126th, 127th, 128th, 129th, 130th, 131st, 132nd, 133rd, 134th, 135th, 136th, 137th, 138th, 139th, 140th, 141st, 142nd, 143rd, 144th, 145th, 146th, 147th, 148th, 149th, 150th, 151st, 152nd, 153rd, 154th, 155th, 156th, 157th, 158th, 159th, 160th, 161st, 162nd, 163rd, 164th, 165th, 166th, 167th, 168th, 169th, 170th, 171st, 172nd, 173rd, 174th, 175th, 176th, 177th, 178th, 179th, 180th, 181st, 182nd, 183rd, 184th, 185th, 186th, 187th, 188th, 189th, 190th, 191st, 192nd, 193rd, 194th, 195th, 196th, 197th, 198th, 199th, 200th, 201st, 202nd, 203rd, 204th, 205th, 206th, 207th, 208th, 209th, 210th, 211st, 212th, 213th, 214th, 215th, 216th, 217th, 218th, 219th, 220th, 221st, 222nd, 223rd, 224th, 225th, 226th, 227th, 228th, 229th, 230th, 231st, 232nd, 233rd, 234th, 235th, 236th, 237th, 238th, 239th, 240th, 241st, 242nd, 243rd, 244th, 245th, 246th, 247th, 248th, 249th, 250th, 251st, 252nd, 253rd, 254th, 255th, 256th, 257th, 258th, 259th, 260th, 261st, 262nd, 263rd, 264th, 265th, 266th, 267th, 268th, 269th, 270th, 271st, 272nd, 273rd, 274th, 275th, 276th, 277th, 278th, 279th, 280th, 281st, 282nd, 283rd, 284th, 285th, 286th, 287th, 288th, 289th, 290th, 291st, 292nd, 293rd, 294th, 295th, 296th, 297th, 298th, 299th, 300th, 301st, 302nd, 303rd, 304th, 305th, 306th, 307th, 308th, 309th, 310th, 311st, 312th, 313th, 314th, 315th, 316th, 317th, 318th, 319th, 320th, 321st, 322nd, 323rd, 324th, 325th, 326th, 327th, 328th, 329th, 330th, 331st, 332nd, 333rd, 334th, 335th, 336th, 337th, 338th, 339th, 340th, 341st, 342nd, 343rd, 344th, 345th, 346th, 347th, 348th, 349th, 350th, 351st, 352nd, 353rd, 354th, 355th, 356th, 357th, 358th, 359th, 360th, 361st, 362nd, 363rd, 364th, 365th, 366th, 367th, 368th, 369th, 370th, 371st, 372nd, 373rd, 374th, 375th, 376th, 377th, 378th, 379th, 380th, 381st, 382nd, 383rd, 384th, 385th, 386th, 387th, 388th, 389th, 390th, 391st, 392nd, 393rd, 394th, 395th, 396th, 397th, 398th, 399th, 400th, 401st, 402nd, 403rd, 404th, 405th, 406th, 407th, 408th, 409th, 410th, 411st, 412th, 413th, 414th, 415th, 416th, 417th, 418th, 419th, 420th, 421st, 422nd, 423rd, 424th, 425th, 426th, 427th, 428th, 429th, 430th, 431st, 432nd, 433rd, 434th, 435th, 436th, 437th, 438th, 439th, 440th, 441st, 442nd, 443rd, 444th, 445th, 446th, 447th, 448th, 449th, 450th, 451st, 452nd, 453rd, 454th, 455th, 456th, 457th, 458th, 459th, 460th, 461st, 462nd, 463rd, 464th, 465th, 466th, 467th, 468th, 469th, 470th, 471st, 472nd, 473rd, 474th, 475th, 476th, 477th, 478th, 479th, 480th, 481st, 482nd, 483rd, 484th, 485th, 486th, 487th, 488th, 489th, 490th, 491st, 492nd, 493rd, 494th, 495th, 496th, 497th, 498th, 499th, 500th, 501st, 502nd, 503rd, 504th, 505th, 506th, 507th, 508th, 509th, 510th, 511st, 512th, 513th, 514th, 515th, 516th, 517th, 518th, 519th, 520th, 521st, 522nd, 523rd, 524th, 525th, 526th, 527th, 528th, 529th, 530th, 531st, 532nd, 533rd, 534th, 535th, 536th, 537th, 538th, 539th, 540th, 541st, 542nd, 543rd, 544th, 545th, 546th, 547th, 548th, 549th, 550th, 551st, 552nd, 553rd, 554th, 555th, 556th, 557th, 558th, 559th, 560th, 561st, 562nd, 563rd, 564th, 565th, 566th, 567th, 568th, 569th, 570th, 571st, 572nd, 573rd, 574th, 575th, 576th, 577th, 578th, 579th, 580th, 581st, 582nd, 583rd, 584th, 585th, 586th, 587th, 588th, 589th, 590th, 591st, 592nd, 593rd, 594th, 595th, 596th, 597th, 598th, 599th, 600th, 601st, 602nd, 603rd, 604th, 605th, 606th, 607th, 608th, 609th, 610th, 611st, 612th, 613th, 614th, 615th, 616th, 617th, 618th, 619th, 620th, 621st, 622nd, 623rd, 624th, 625th, 626th, 627th, 628th, 629th, 630th, 631st, 632nd, 633rd, 634th, 635th, 636th, 637th, 638th, 639th, 640th, 641st, 642nd, 643rd, 644th, 645th, 646th, 647th, 648th, 649th, 650th, 651st, 652nd, 653rd, 654th, 655th, 656th, 657th, 658th, 659th, 660th, 661st, 662nd, 663rd, 664th, 665th, 666th, 667th, 668th, 669th, 670th, 671st, 672nd, 673rd, 674th, 675th, 676th, 677th, 678th, 679th, 680th, 681st, 682nd, 683rd, 684th

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# Faldo betters record that stood for score of years

From Mitchell Platt  
Cologne, July 27

Nicholas Faldo, aged 21, of Britain, and Severiano Ballesteros, aged 21, of Spain, composed course records of 64, eight under par, to share the lead when the German Open sponsored by Braun, began over the 6,730-yard Cologne Refrath course here today.

Faldo had played only three holes by the time Ballesteros returned to the clubhouse with a

team to meet Great Britain and Ireland from September 21 to 23.

Ballesteros believes that his problems this season have centred on an inability to control his iron play. He lost his first shot on the greens. Today he putted soundly, but his 64 was built on his ability to get the ball close to the hole with the approach shot.

He began at the tenth and at the 495-yard eleventh he struck a four-iron a distance of 192 yards. He then took a rest, sitting on the foot of the hole. A simple putt,

the course record, of 66 established by Harry Weeman, the late Irish Ryder Cup player, in the German Open of 1957.

That news, however, stirred Faldo into producing his best round since he turned professional in 1983. The man who had been followed a practice which frightened "him because he was missing the top half of his body too

his way.

He continued with three successive birdies. At both the 159-yard twelfth and the 379-yard fourteenth, he had finished only one foot from the hole and a thirdteenth he successfully holed from 10 feet. Ballesteros took two putts at each of the next four holes and reached the turn in 31, five under par.

At the first hole he was forced to get up and down in two to save his way. He went through the mine with two barrels. He holed from 10 feet for a three at the first, then played a superb escape

same routine at the 495-yard mark. But this time for a birdie, and a 5-iron to six inches from the hole for two as the third birdie on the way to the green. He reached the turn in 32, four under par, following further birdies at the sixth and eighth holes. He had a total of 10 birdies in the last five holes enabled Faldo to share the lead with Watson.

This year has been particularly quiet for the Spaniard in Europe. He has won only one tournament, the Volvo World Matchplay, which he is fourth in the order of merit. He is keen to regain his position at the top because, after Faldo's retirement in August, the European order of merit will be

shot from out of a bunker to three feet from the hole for his four at the 10th. He had a total of 10 birdies on his card was a result of a wayward tee-shot with a three-wood on the sixth, which led to him dropping out of the top 10.

That was the only time Ballesteros strayed into the trees, which line each fairway on the course. He had a total of 10 birdies at the eighth and ninth holes.

After overnight rain the hole was provided with ideal conditions for golf. John and Faldo were joined by the likes of South Africa, and Simon Hobday, of Rhodesia, composed the "young colts" of the tour of around 10 five and another of 30 feet for five of his six birdies. Hobday closed in three puts of 20 feet to 20 feet.

John Morstan from Nova Scotia

Club, Akron, Ohio, from September 28 to October 1.

**Lones recovers from early**

## mistake to take clear lead

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## ICTIM, NOT A HERO

national campaign is mounted by socialists and others to persuade the Russians to rehabilitate Nikolai Bukharin, a close colleague of Stalin who was after a rigged show trial in 1938. The Italianist Party has given free publicity to the subject, and Signor Paolo Spriano, an Italianist, has received an honour from the Soviet Union. In the campaign, a number of MPs have given their support to the Bertrand Russell Foundation. There is a curious silence in the French Communist Party which aligns itself with the issue.

It is surprising when it is said that the French Communists were influential in persuading Mr. Khrushchev not to rehabilitate Bukharin in 1958.

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It is itself to revise the verdict of a trial which everyone knows to have been rigged and which took place forty years ago. It shows the degree of immobility which has now settled over Moscow and the fear which the leadership has of permitting any further admissions that the party is not infallible. It shows that the regime is still determined to resist that serious re-examination of its past which is one of the prerequisites of regeneration in the future. It may also be an ominous sign that the creeping rehabilitation of Stalin which has been under way for many years is to be allowed to continue. To say that Bukharin was guilty is to imply that Stalin was not.

This is why the issue appeals so much to western communists who wish to show that they have broken with Stalinism and with Moscow. It gives the Eurocommunist another stick with which to beat the Russians. The Italianists insist that they are not defending the ideas of Bukharin but the right of communists to discuss different ideas and their duty to face the past crimes of the movement. To favour, in the spirit of truth, a rational investigation of the events of the past is part of our struggle against all forms of intolerance and dogmatism, says Signor Paolo Spriano, the communist historian.

So far so good. But it is only a short step from here to a rehabilitation of the character of Bukharin. He is a tempting figure for those who wish to argue that communism went wrong not because there was

anything wrong with its thinking but merely because it fell into the hands of Stalin. Bukharin easily becomes the legendary lost leader, the humane moderate, the man who wanted to move slowly, avoiding the horrors of forced collectivization and industrialization; in short, an early Eurocommunist.

If the campaign falls for this it will merely be substituting one myth for another. It is true that Bukharin was in some ways a nicer and gentler man than Stalin and other colleagues, and he did argue against forcing the pace of industrialization. E. H. Carr called him "gentle and lovable" and said he was "the halo of innocence". He liked birds and animals. But he was a convinced revolutionary who opposed the treaty with Germany because he wanted to spread revolution throughout Europe. He was Stalin's right-hand man until 1928 and continued to serve him with considerable deference for many years thereafter. He had good words for the abominable secret police. He was also a weak and unstable character, a brilliant writer but a poor politician who fought little for moderation and lost anyway. If his case can be used to prove anything about communism it is simply that communists who are not quite nasty enough are liable to be beaten by those who are. He should be rehabilitated because the trial was fraudulent. He should also be rehabilitated because Stalin's ghost will rule until he is. But he cannot be used as a means to rehabilitate communism itself.

When examined dispassionately the state industries seem to be doing broadly the task they have been set, providing a service at reasonable cost while making provision for the future. The Government, in its White Paper on nationalized industries earlier this year, underlined the importance of financial targets as a means to making nationalized industries strive towards efficiency. The state industries can hardly be blamed for doing just that.

There are, however, two questions that remain. Because they are monopolies or near monopolies public corporations can make profits—in themselves a good thing—without necessarily being either efficient or providing a good service. International comparisons of service are difficult to make, and would vary from industry to industry. International comparisons of productivity are not favourable. Those industries should therefore be complemented for making profits, but profits should not be regarded as a conclusive proof that they are achieving what they ought to.

The Post Office, because of its intimate relationship with the public, has come under similar scrutiny. On the face of it the corporation is awash with profit, having reported itself £368m in the black in the twelve months to March 31, 1978. But is it? The Government and the corporation have already agreed a financial target for the telecommunications business—which contributes the lion's share of profit—for the years 1976-77 to 1978-79. The Post Office was to aim for

£32m in 1976-77 and these profits were struck, in both years, after an additional depreciation provision to cover the cost of replacing its assets at today's prices. (Many state industries still compute depreciation in historic cost terms.)

Those who believe the nationalized industries are changing their status vis-à-vis the Government and the consumer interpret this not as prudent housekeeping (new assets are after all paid with today's money, not yesterday's) but as a piece of sleight-of-hand intended to disguise even higher, and by their definition, excessive, profits. Yet of course, from the taxpayer's point of view it is thoroughly desirable that public industry should be able to finance as much as possible of its own investment.

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anything wrong with its thinking but merely because it fell into the hands of Stalin. Bukharin easily becomes the legendary lost leader, the humane moderate, the man who wanted to move slowly, avoiding the horrors of forced collectivization and industrialization; in short, an early Eurocommunist.

If the campaign falls for this it will merely be substituting one myth for another. It is true that Bukharin was in some ways a nicer and gentler man than Stalin and other colleagues, and he did argue against forcing the pace of industrialization. E. H. Carr called him "gentle and lovable" and said he was "the halo of innocence". He liked birds and animals. But he was a convinced revolutionary who opposed the treaty with Germany because he wanted to spread revolution throughout Europe. He was Stalin's right-hand man until 1928 and continued to serve him with considerable deference for many years thereafter. He had good words for the abominable secret police. He was also a weak and unstable character, a brilliant writer but a poor politician who fought little for moderation and lost anyway. If his case can be used to prove anything about communism it is simply that communists who are not quite nasty enough are liable to be beaten by those who are. He should be rehabilitated because the trial was fraudulent. He should also be rehabilitated because Stalin's ghost will rule until he is. But he cannot be used as a means to rehabilitate communism itself.

When examined dispassionately the state industries seem to be doing broadly the task they have been set, providing a service at reasonable cost while making provision for the future. The Government, in its White Paper on nationalized industries earlier this year, underlined the importance of financial targets as a means to making nationalized industries strive towards efficiency. The state industries can hardly be blamed for doing just that.

There are, however, two questions that remain. Because they are monopolies or near monopolies public corporations can make profits—in themselves a good thing—without necessarily being either efficient or providing a good service. International comparisons of service are difficult to make, and would vary from industry to industry. International comparisons of productivity are not favourable. Those industries should therefore be complemented for making profits, but profits should not be regarded as a conclusive proof that they are achieving what they ought to.

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## The Callaghan-Thatcher exchange in the Commons

From Lady Luce

Sir, When listening, on the radio, to the Prime Minister's speech in the House of Commons yesterday (July 25) on the Government's policy, it occurred to me how often, in this country, I have heard people say "I hate politics". This has always seemed a rather senseless remark, since politics are about life; or rather, about the way our lives and society are organized. But I think something slightly different is meant, and that has directed against the attitudes, the ungenerous and deceptive arguments, even sometimes the character-destroying drive for power and votes, to which party politics can lead. These people are therefore inclined to detach themselves from the whole business, and refuse to listen.

If any one of such non-politically minded characters had been listening to the second half of Mr Callaghan's speech, he would have sympathized. His attack on Margaret Thatcher was curiously unimpassioned (and perhaps uncharacteristic). Only two explanations might have seemed possible.

(A) That he was pushed for anything to say, relevant and constructive, on the actual subject of the debate. (B) In view of the probable coming general election, he was prepared to seize any opportunity to mar the image of Margaret Thatcher as a prospective Prime Minister.

So far as (B) is concerned, I believe his words could have an opposite effect. Particularly as Margaret Thatcher, in her answering speech, avoided any personal retaliation. By the "I hate politics" school of thought could increase its membership.

Yours faithfully,  
MARGARET LUCE,  
c/o The Mail House,  
Farnham,  
Surrey.

From Mr G. E. P. de Burgh Wilmut  
Sir, My telephone rang while I was listening to the broadcast of the debate on the national economy in the House of Commons yesterday (July 25). I may in consequence have missed, to three minutes of telephone conversation, that part of the Prime Minister's speech in which he dealt with the sensible subject of the debate. When I switched on the set again, the Prime Minister was in the middle of a diatribe of personal abuse directed at the Leader of the Opposition.

In contrast, Mrs Thatcher's reply was a splendidly achieved review of the comparative achievements of the Labour and Conservative governments during the past 30 years or so.

Within 20 minutes of the end of the broadcast of the debate I heard a BBC announcer saying: "Mrs Thatcher replied almost angrily that she would try to be relevant."

It is difficult to see the justification for the frequent complaint by members of the Labour Party that they have in content against an almost entirely "capitalist" press. Not only do you, Sir, give free rein to Mr Eric Heffer, but it would seem that the BBC is heartily committed to the Labour cause.

Yours faithfully,  
G. E. P. DE BURGH WILMUT,  
Logan Editor, Service,  
Roxbury Hill,  
Hamstead, NW3.

From Mr J. T. Ogden  
Sir, It would seem your Parliamentary Correspondent was hoping for "scratching and hair pulling". I listened closely to both speeches and was relieved that Mrs Thatcher did not descend to the Prime Minister's level, too low to be "scraped" by her.

In contrast, Mrs Thatcher was clear and believable, without trace of "dirty electioneering" and I do not think her followers should be disappointed. I believe a preponderance of the silent majority will vote and hope for a government which will try to run the country in the interests of a wider range of the population and without spite derived from envy.

Mrs Thatcher's performance should be popular with voters of her sex. For one party has misogynistic rudeness. I say, "Very well done". Yours faithfully,  
J. T. OGDEN,  
15 Winterstone Gardens,  
Wester Lane,  
Mill Hill, NW7.

From Mr Ivan Booth  
Sir, I am confused. I saw on page of today's Times (25) your Parliamentary Correspondent writes that Mrs Thatcher's speech in reply to Mr Callaghan was greeted by a stony silence from the Tory benches. Yet in the Parliamentary report on page 8, it is reported that Conservative cheers rang out five times.

Which is correct? Yours faithfully,  
IVAN BOOTH,  
Carson, Booth Antiques,  
80-82 Piccadilly Road, SW1.

From Mr David Elliston  
Sir, Was your Parliamentary Correspondent actually there? I refer to his comment prominent on your front page today (July 26) that Mrs Thatcher's speech in the economic debate was eclipsed by that of the Prime Minister and greeted by stony silence from the Tory benches.

The first point is, of course, a matter of opinion. However, as an ordinary listener to the speech of the Leader of the Opposition on Radio 4, with no particular axe to grind for her, I must protest that it is simply not true to suggest



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# RAS

## RIUNIONE ADRIATICA DI SICURTA'

MILAN - ITALY

Salient points in the 1977 Annual Report and Accounts adopted at the Annual General Meeting of Riunione Adriatica di Sicurtà, held on 12th July 1978 were:

- A considerable improvement in underwriting results in virtually all branches;
  - An asset base which fully reflects the E.E.C. requirements for solvency margins in insurance companies;
  - An increase in technical reserves held as security for commitments to policyholders;
  - Premium income in the Company amounted to Lit. 331.7 bn. (£ 300 m.), represented as to 42% by business written in Italy and as to 58% by foreign insurance business and reinsurance;
  - Premium income in the entire RAS Group, consisting of nine insurance companies in Italy and twenty-two in other countries, rose by 16.5% to the equivalent of Lit. 1,182 bn. (£ 712.6 m.).
- The Annual General Meeting approved a proposal to declare a dividend of Lit. 1,000 per share (1976: Lit. 800) payable as from 10th July 1978.
- As Extraordinary Business, a proposal to increase the Company's share capital from Lit. 9.6 bn. to Lit. 19.2 bn. (£ 11,573,386) was also approved on a scrip basis by increasing the par value of the 1,920,000 shares in circulation from Lit. 5,000 to Lit. 10,000.

### HIGHLIGHTS OF ACCOUNTS (£)

RAS ONLY, DOMESTIC AND FOREIGN BRANCH OFFICES

	1977
Premium Income	199,967,655
Investment Income	20,506,022
Claims, Maturities and other Benefits paid	104,408,663
Insurance Reserves, Non-Life Branch	123,018,072
Insurance Reserves, Life Branch	239,297,450
Life Sums assured	1,928,484,567
Share Capital	5,786,793
General Reserves	46,819,405
Profit for the year	£ 191,927

### PREMIUM INCOME OF THE RAS GROUP (ITALY AND ABROAD)

£ (millions)	1973	1974	1975	1976	1977
	750	700	650	600	550
	450	400	350	300	250

### SALES OF THE RAS GROUP

Premium income breakdown in 1977 (in £)	
RAS and L'ASSICURATRICE ITALIANA (in Italy and abroad)	360,447,376
Other Italian Group Companies	48,416,135
Foreign Group Companies	393,781,053
Total premiums	712,644,564
RAS Group Life Business	
Total Sums assured	£ 2,303,530,051

## Brokers see themselves as international

by John Gaselee

British reinsurance brokers have benefited from the growth in reinsurance business. Although a substantial amount of reinsurance is still arranged between insurance companies, without the need for an intermediary, there has been significant growth in the volume of reinsurance arranged by brokers. But some reinsurers feel it is particularly difficult to make underwriting profits from business which has been placed by brokers.

At present the total premium income of the Lloyd's market is more than £2,000m a year; a high proportion of that is reinsurance, all of which is handled by brokers. With some reinsurance business more than one broker may be involved.

Although British insurance brokers have the advantage of a highly developed reinsurance market, with sizable capacity, on their doorstep, it does not necessarily follow that they place business in London. They look upon themselves as being essentially international, probably with wider overseas contacts than brokers in any other country.

A growing volume of business is being arranged on behalf of insurers in foreign countries and is being placed elsewhere in the world. While the London market may not take any share in such risks, the brokerage earned by the brokers is a useful addition to the country's invisible exports.

A point which is of particular concern to many insurers is the level of security being offered by some companies in different parts of the world, which are actively in the market for reinsurance business. Some brokers devote much energy to assessing the security of reinsurers, and may classify some companies as suitable for certain types of short-term business but not necessarily for long-term business. Claims might not be payable for up to 10 to 20 years after the year of insurance.

Much reinsurance business is written for reinsurers by others who have underwriting authority. In some cases, insurance brokers may need to satisfy themselves that those accepting business and retaining premium do so on a basis which is not from the company for which they purport to be acting.

A number of brokers have arrangements with insurers whereby business can be accepted on behalf of those insurers. There has been some criticism of such arrangements, since a clash of loyalties could arise. Also, there could be occasions when, effectively, some of the risk was being borne by the brokers.

It is understandable that brokers wish to generate more business for themselves. Sometimes this can be achieved by a broker, when placing direct business, encouraging the direct underwriters to write large lines, with the promise that reinsurance protection can be provided. Often that can be a useful function.

Also brokers have the

opportunity to place the reinsurance business of smaller and less well-known companies throughout the world. Such a company, however, anxious to expand its portfolio of business, may well make it a condition that a firm of brokers is to place its outward reinsurance, reciprocity must be provided in the form of inward reinsurance.

This condition can put a broker in difficulty: while the broker would like to place the foreign insurance company's outward reinsurance, does that company provide adequate security for reinsurance, on behalf of the broker's other clients, to be placed with it?

While most brokers look at the question of security carefully, and try to advise their clients, many insurers take an active part in assessing the security of potential reinsurers. In most cases, when an insurer makes a claim under a reinsurance contract, that insurer will already have paid a fairly substantial claim: it does not want to run the risk of that claim being increased significantly because of inability to make a recovery from a reinsurer.

Security is likely to become increasingly important. One of the effects of the growth in the volume of reinsurance has been that reinsurance underwriting is not always as sound as it might be. Some of the well-established reinsurers are wondering what would happen in the event of a catastrophe such as an earthquake in San Francisco.

## Captive companies likely to alter pattern

by Richard Warden

The future has seldom looked more clouded with legislative doubt for captive insurance companies, those corporate entities set up by manufacturers and traders prepared to self-insure much of the risk they run but also wanting the fiscal advantages of insurers selling to an independent market.

The main cause of uncertainty is the United States Internal Revenue Service's Ruling 77-316 which has direct implications for many of the American-owned captive companies that have increased rapidly over the past 10 years, particularly in Bermuda; and for United Kingdom based companies.

normally disallowed by the Bank of England from using a Bermuda base for their captives, either the Isle of Man or the favoured base of Guernsey, any longer appears to offer all the tax advantages previously available.

So new patterns for captive companies are likely to emerge. Most will have an impact on reinsurance markets, and among the effects of the American ruling may be pressure on captives to write a more general account.

But the early principle of self-insurance remains an important consideration for the new breed of risk managers who have created the modern captives. One of the fundamentals is still that their captives will provide the sort of cover that might otherwise not be available.

However, the highly developed captives of today do not, often or even usually, carry the upper layers of such risks. It is one of the complaints from independent insurance companies that the captives are leaving the reinsurers only the top, or "dirty", end of the risks and that in a period of overcapacity the rates for these are not adequate.

But that is a difficulty which will always be associated with companies that partly self-insure and partly seek outside cover. The captive company, as the most popular vehicle for self-insurance, is also concerned with other basic principles: first, that if a company simply sets up reserves to meet the moment of disaster it gets no tax relief on this money saved, whereas insurance premiums are deductible; second, that if a captive vehicle is set up, besides the tax relief, it gains direct access to efficient reinsurance markets for further protection of the risks, it chose to underwrite through the captive.

Locating the captive in a low-tax or tax-free area seemed a rather operative requirement of such companies: in accumulate reserves as quickly as possible by extending exemption to investment income.

Where the United States Revenue Ruling 77-316 has upset previous thinking on captives is that it reverses the principle that premiums paid to a captive are tax deductible in the same way that premiums paid to an independent insurer to cover the same risks would be deductible.

For the moment, the ruling affects only a limited number of captives—it exempts, for instance, the whole range of "industry captives"—but its tone is enough to worry many more than those immediately caught up in the ruling. Some captives, the Revenue is saying, are not insurance subsidiaries of a parent group, but simply repositories for self-insurance funds and, in fiscal terms, should be treated accordingly.

The ruling dealt with three different sorts of captives, all of these foreign companies wholly owned by the parent company and accepting risks only from the parent or other subsidiaries of the group. The differences in the three cases centred on reinsurance arrangements.

In the first situation all the risks placed with the

captive were retained in it. In the second, the risks were initially placed with an independent domestic insurance company but under treaty reinsurance arrangements the independent company reinsured 95 per cent of the risks with the captive insurer. In the third case the risks were initially placed with the captive but there was a contractual obligation for it to reinsure 90 per cent of them with an unrelated insurer.

The Revenue ruling treated the parent company, its domestic subsidiary and its foreign captive insurer as a single economic family and concluded that "those who bear the ultimate economic burden of loss are the same persons who suffer the loss. To the extent that the risks of loss are not retained by their entirety by (as in the second company described) or reinsured with (as in the third) insurance companies that are unrelated to the economic family of insureds, there is no risk-shifting or risk-distributing, and no insurance". Hence, the premiums were not deductible, the Revenue said.

So deduction was denied for all the premiums paid in the first case. Deduction was available for only 5 per cent of the premiums in the second case, but in the third 90 per cent of the premiums were deductible.

Following the thought through, the Revenue also said that where deduction was denied, payments from the captive to the insureds (its parent) on account of losses sustained could not be treated as claims payments, which would reduce the company's loss deduction available to the insureds.

On the parent companies of the captives caught in the ruling are back where they started, suffering non-deductibility on their self-insurance funding. While the ruling is being vigorously challenged, and it is only an interpretation of law which could be overturned by legislative reform, the uncertainty caused is considerable and companies based outside the United States might expect other tax authorities to respond with similar measures.

To that uncertainty for British manufacturers and reinsurers is added another tax change. Guernsey no longer offers full tax exemption under the fixed corporation tax system, but designates captives as resident companies under local income tax legislation. That implies only a 20 per cent tax rate on investment income. Premium income being still exempt, but this has been enough to persuade some of the captive market to move on, this time to Gibraltar.

Nine of these difficulties is likely to interrupt the growth of captives for long, but it may change their nature. Self-insurance for major international companies is a progressive trend in risk management, and the captives form an integral part of that trend. Once present over-capacity in insurance markets is absorbed, there will also be a powerful lobby to argue that captives help to free the capital of traditional underwriters and so provide more comprehensive facilities.

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## Marine liabilities change hands again and again

by Stuart

emerged this year: the weakness of the dollar. Since a large proportion of the marine account is written in this currency, it is a worrying factor for underwriters and brokers alike.

Meanwhile, rates have remained very soft, which can be attributed in part to the plentiful supply of reinsurance available world-wide. Even a disaster the size of the Amoco Cadiz, involving a claim on hull underwriters for \$12m, has done nothing to arrest the downward slide.

Reinsurance has existed for just over a century, but in that period it has developed rapidly and acquired a distinctive and complex character. Relations between the original or primary underwriter and his reinsurer have always been overshadowed by a small but persistent cloud of ambiguity because in its early days, particularly in the influential London marine market, reinsurance tended to become a vehicle for expressing the strong rivalry that existed then between Lloyd's and the insurance companies.

At the outset, reinsurance was largely facultative, and a strong feeling developed that when an original underwriter reinsured a risk, it was either because something was wrong with it or because he was getting a "turn on the rate", or perhaps both.

Although the structure of reinsurance has changed markedly since then, and relations between Lloyd's and the marine companies are now noted for their cordiality and cooperation, this feeling still lingers, and sometimes there is evidence to justify it. It has often been said that you can insure anything at Lloyd's if you are prepared to pay the premium quoted, and today it might almost be said that you can reinsure anything anywhere, whether the premium is adequate or not. Herein lies a present danger for marine reinsurers.

Apartment from the familiar treaties for quota-share, excess line and excess loss, there are many special reinsurance covers available—for example, catastrophe risks such as liquid gas carriers or offshore drilling platforms. And finally there is the reinsurance for the reinsurer's retrocession.

In the case of many companies overseas, especially in fringe markets, the opportunities for writing original business are largely confined to their domestic markets and even their chances of being offered any big share of reinsurance on original business are limited by their geographical remoteness from the main markets, such as London, the political instability of the areas where they are established, or the level of security suggested or laid down by their own financial institutions.

So these companies are compelled to assume the role of the reinsurer of the reinsurer, the retrocessionary, and capacity is so plentiful that many of them, to obtain reinsurance cover for their own inflated portfolios, are eager to accept second or even third retrocessions of an account.

The poorest and least influential markets, have to be content with any crumbs left over after the larger and more financially secure markets have been satisfied. And each time a risk is reinsured, and subsequently retroceded, the premium will be reduced by a further commission, although this is not invariably the case. (An example to the contrary is the reinsurance market for over-sea ships, where such cover can rise to 90 per cent and more; but this is a very small, specialised market that is rarely used today).

Generally speaking, then, each time a risk is transferred by a further reinsurance, the rate grows smaller, so that the final holder of the liability may receive only

half the premium paid to the original underwriter. The tendency of this unrestricted transfer market is to erode not only the premium but the security of the original assured, so that each time his risk changes hands he has less assurance of receiving a complete indemnity in the event of loss.

This consequence, being very heavily on the largest and most vulnerable marine risks because they carry the largest potential liability for loss and have the high values suitable for transmission over several successive cessations. The tendency to satisfy the

abundant reinsurance capacity by repeated reinsurance of the same risk has been condemned because it not only obscures the wider dispersal of the very large marine and industrial risks but encourages the cover of bad business.

Bad under any circumstances, this practice of repeated reinsurance without any restraints becomes dangerous when the pressure of competition, inevitable with excess capacity, not only debases the original rates to uneconomic levels but affects the reinsurance market in the same manner.

## Tenerife disaster fails to raise rates

One could almost draw a parallel between the marine and aviation markets at present. Both are suffering from low rates and over-capacity, and even reinsurance brokers are voicing dismay at the way the market is going. And both markets, generally speaking, are running at a loss.

This unhappy state of affairs led to expressions of concern at a recent annual meeting of the International Union of Aviation Insurers in Munich. Mr David Barham, the retiring president, said there was far too much capacity in the hands of so-called underwriters acting as agents in the international insurance and reinsurance market. These agents did not normally bear any risks; they received a commission from those insurers who had given them authority to bind business on their behalf, frequently for very large limits of liability.

Mr Barham thought that the matter of disputes did nothing to enhance the reputation of the insurance business. In the case of aviation they were provisionally linked to over-capacity and the abundance of reinsurance, available to protect original insurers from the worst effects of underwriting practices.

A return to sound insurance principles, he said, should see the beginning of a resumption of profitability and a sharp reduction to the number of unnecessary and unsavoury disputes within the industry.

The only worthwhile advertisement that insurers had was the manner in which they settled their claims. Sooner or later, all insurance markets must get back to the prime concept of "utmost good faith", after which many of the industry's difficulties would disappear.

The aviation division of Stewart Wrightson (North America), one of the leading brokers, puts it more strongly when talking about the vicious rate-cutting war that has been taking place. "Even as this is happening, there is not one thinking underwriter who does not question the sanity of himself or his competitors, for there can be no justification for what is going on based upon purely actuarial considerations."

The total pool of available worldwide aviation premium is shrinking while losses of varying severity continue, so what is really needed is a halt to the reduction in rates and a move towards gradual increases that will begin to restore profitability to the account.

The paradox is that everyone in the market agrees that this is what is needed, and many thought that the Tenerife disaster would prove to be the catalyst. There was an attempt in London to raise rates after the word, but the underwriters who led the move had to admit defeat only a few weeks later as the market

swung back to heavy rate cutting.

In the face of the growing world capacity, Lloyd's had seen its percentage particularly in motor and aviation risks being reduced year by year as it operated under greater restriction of premium income and reinsurance activity than that imposed upon the insurance companies. But despite the over-capacity, six new syndicates, one of them big, have appeared on the Lloyd's aviation scene this year, and this should increase the potential Lloyd's share of the placements quite considerably.

Looking ahead, Lloyd's and the rest of the London market must be prepared to provide the huge increase in capacity that will be needed for the space, satellite and communications programmes. London has led the world in this fairly new area of insurance, but it will have to gear up to retain its lead. Although aviation premium income has been going up at Lloyd's, the margin of profit has remained stagnant at the low level of about 3.5 per cent. Lloyd's will report shortly on the 1975 "closed" year of account and the percentage of profit may well show a reduction, on this level, with an almost certain further deterioration in the 1976 and 1977 "open" years.

It is generally agreed that the key to over-capacity lies in reinsurance, and in particular the excess of loss market. Because of the thin, if not non-existent, profit margins, direct underwriters are tending to lean more and more heavily on their reinsurance facilities, and it remains to be seen how badly those reinsurers have been hurt by the Turkish Airlines Paris disaster, Tenerife and other significant losses, and how soon and how much they react if and when this happens. It is bound to have an effect, not only on capacity but also on the price which the direct underwriter must charge for his original product.

While loss reinsurers have been able to absorb the Tenerife loss without any appreciable increase in rates, the position could change suddenly if there were several similar disasters. But even the worsening casualty trend is not having any effect on the market. At the TUAI Munich meeting it was reported that there had been 12 total losses in 1978 up to that time, compared with seven at the corresponding stage in 1977. Two of the 12 losses had been wide-bodied aircraft. The monetary value of these losses was \$122m, of which \$73m applied to the wide-bodied types. As the cost of last year's 19 total losses was \$142m, the prospects for 1978 appear daunting.

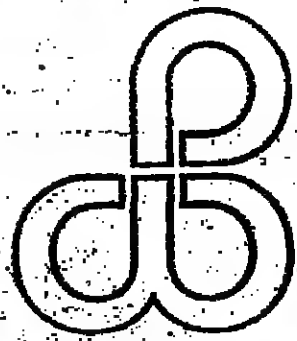
Underwriters are concerned over the number of older jets being sold by the prime airlines to operators with no previous jet experience.

During the period January, 1973, to December, 1977, 101 airlines acquired their first jet and flew 1,030,000 jet hours, and suffered five total losses, which equated to one per 206,000 hours. The airlines which had flown jets before January, 1973, flew 56,400,000 hours and suffered 84 total losses during the same five-year period, a loss rate of one per 670,000 hours, or three and a half times better.

One of the criticisms levelled at aviation underwriters is that there is little differentiation in rates between the good and bad risk operators. This is a point that some of the leading airlines have been making to their brokers.

Such airlines, incidentally, make careful and regular appraisals of their insurance programmes. After all, insurance represents an important slice of their operating costs. An operator the size of British Airways, for example, may pay out £5m or more for its full risks account, £3m for passenger liability and third party risks on its worldwide schedule of charter services, £1m for cargo and associated liabilities, and another £1m for general insurance cover on its remaining activities.

D.S.



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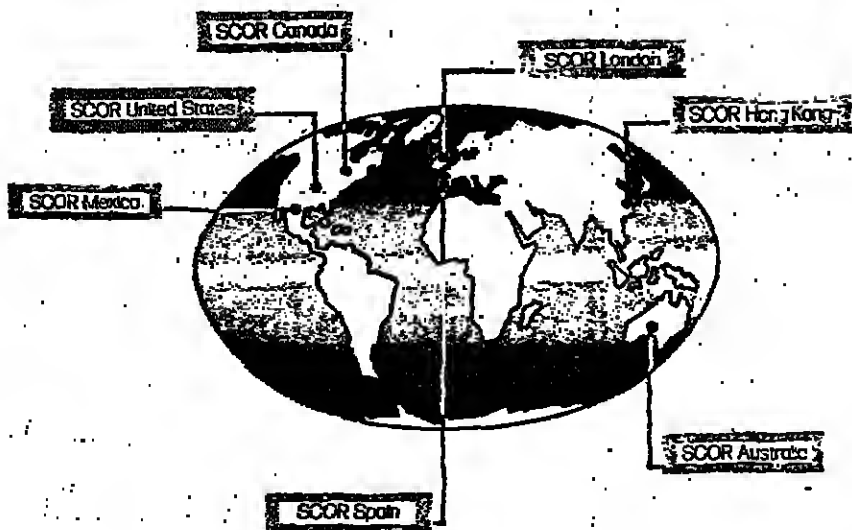
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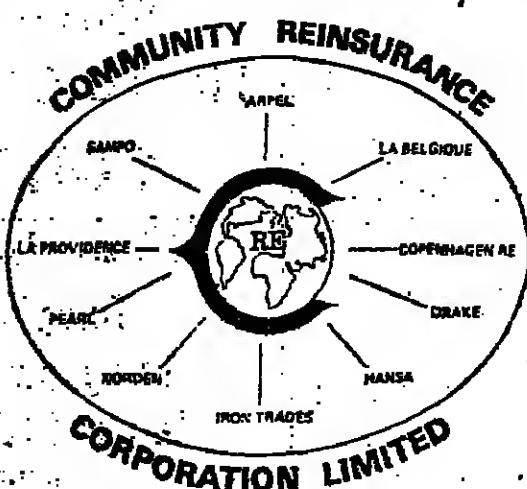
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## NWRe 1977 Results

### Norwich Winterthur Reinsurance Corporation Limited Stronghold Insurance Company Limited

	1977	1976
Consolidated Results	£000's	£000's
NET PREMIUMS	33,575	19,798
UNDERWRITING PROFIT	294	1,365
FINANCIAL EARNINGS	5,587	3,542
EXPENSES OF MANAGEMENT	5,881	4,907
	(890)	(597)
TAXATION	4,991	4,310
	(2,747)	(2,392)
OPERATING PROFIT	2,244	1,918
SHAREHOLDERS' FUNDS	22,127	16,892

Registered Offices: PO Box 62, Rose Lane, Norwich NR1 1JY

### Winterthur Norwich Reinsurance Corporation (Registered in Switzerland)

	Swiss Francs 000's	Swiss Francs 000's
NET PREMIUMS (EARNED)	116,240	79,313
UNDERWRITING LOSS (after Expenses)	(5,172)	(2,262)
FINANCIAL EARNINGS (less Investment Depreciation)	13,712	11,339
TAXATION	8,540	9,077
	(2,912)	(4,392)
OPERATING PROFIT	5,628	4,685
SHAREHOLDERS' FUNDS	74,413	72,785



## The A1 way to a two-way flow of business

by Richard Warden

Lloyd's is a market for both inward reinsurance — the business placed there by original insurers — and outward reinsurance, when the syndicates themselves transfer risks, particularly in the non-marine market, has been the growth sector of Lloyd's during the past decade, with the United States insurers the prime providers. About half Lloyd's business is now North American reinsurance.

The United States insurance companies, with their premium to surplus ratios of about three to one, have had quite enough primary business to absorb in an expanding market to keep within these guidelines. Therefore the capacity of Lloyd's and other foreign reinsurers, has been called on progressively more.

At similar stages in the United States insurance cycle in the past, for instance in the early 1960s, Lloyd's has not always had the capacity available.

It has now, with the underwriting members' total climbing from 8,559 in 1976 to 10,662 in 1977 and this year to 14,134, and, while there are serious worries about softness of rates and "out lines" being written in other insurance markets, inward reinsurance business had grown steadily before the present plateau.

But in an unusually testing year for the Committee of Lloyd's, the most sensitive issue it has had to tackle has concerned relations with the United States insurance industry. No one in London would want to see Lloyd's United States reinsurance business endangered, or its exchange earning capacity diminished, but there is some cause for concern.

Prime among the worries is the proposal to set up a rival exchange in New York

closely modelled on Lloyd's. The impetus for this comes from New York's employment crisis. Governor Hugh Carey faces reelection in November and the exchange might provide 8,000 new jobs. A free zone would be set up where insurers could write risk premiums without having to file policy forms or get regulatory approval. The state assembly has approved the initial plans.

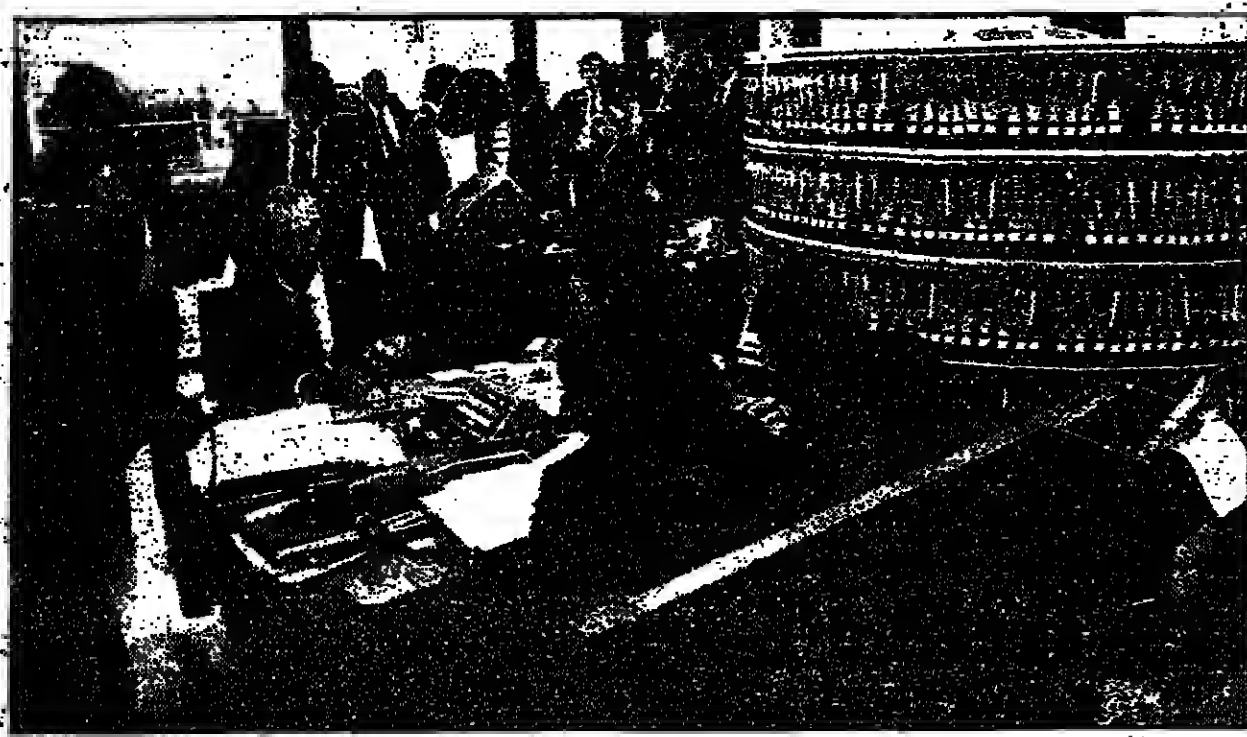
There is, on the face of it, nothing to scare Lloyd's in these proposals. To start with, the exchange would not open for another two or three years and its proposed initial capital is limited to \$60m. That indicates premium income levels about \$200m, a tiny amount in United States insurance and reinsurance markets.

There is also the matter of experience and skills. The way reinsurance is brokered at Lloyd's is claimed to be different from anywhere else and to produce better results for original insurers and their customers. Whereas facultative and treaty reinsurance in the United States is circulated on paper at Lloyd's it is brokered personally. In short, Lloyd's underwriting skills will not be learnt in a day.

Also, to consider Lloyd's present size, there is little reason to think that one more competitive market would have much impact on future growth. London is still the biggest marine insurance market in the world, and it is a significant addition one, but in global terms the non-marine business transacted at Lloyd's is small.

There may be more nervousness about the lobby created by dissatisfaction with Lloyd's stance this year when United States companies bid for Lloyd's brokers.

Marsh and McLennan and Frank B. Hall both had bids ready for Lloyd's brokers



A study in concentration: underwriters at Lloyd's, which carries a high proportion of reinsurance worries.

(and there were other companies with less public plans). Lloyd's ruled that it would not allow "outside" insurance operations to hold more than 20 per cent of any Lloyd's broker. Lloyd's insisted that it was not being narrowly protectionist but trying to preserve the independence of its market, irrespective of nationalities.

American reaction, in most cases publicly restrained, was less so privately and the ruling only increased misconceptions prevalent about Lloyd's (for instance, that a United States broker placing his business in London is at a disadvantage in terms of brokerage commission).

Lloyd's also allowed a modified version of one of the bids — Frank B. Hall for

ced, Hall bidding £25m for the British company and agreeing to split the Lloyd's broking operations into a separate company in which the majority would remain in British hands. Whether this solution appeases some of the United States brokers backing the new exchange remains to be seen.

The more pressing issue for Lloyd's is world overcapacity and the trimming of rates (hence suggestions that membership limits may have to be imposed). "Socialisation" areas of the market, such as medical malpractice and employer liability, also provide concern for reinsurers.

Where court settlements have been on a grossly inflationary trend, the usual reinsurers' problem of setting

rates today for damages for the "big storm", the decided three or four years in the future, is exaggerated. There are continuing worries about the standards of United States doctors, even when employing "defensive medicine", and about the number of lawyers entering this area of the law, acting for patients on a contingency fee basis. One or two judgments against doctors, after some comfort to insurers.

But in this, as in other markets, Lloyd's has the capacity to expand much faster than its present prudence on rates will allow. The security offered by Lloyd's is, in many cases, no answer to the rates offered elsewhere. In the language of insurance, Lloyd's is praying

for the "big storm", the type of exceptional natural catastrophe like Hurricane Betsy in 1965 which will test the credibility of cheaper insurance markets and get rates moving upwards again. It is not hard for some to imagine spectacular insurance collapses — sided by the domino effect of a single failure in a reinsurance claim — if the big storm happens soon.

If not, then it is hard to see a quick end to the surplus of capacity in the Lloyd's market. The clue lies in the United States, and it may be another two years before the cycle there produces a level of underwriting in domestic underwriting which will bring another burst of reinsurance business back to London.

## Life behind the scenes

by John Gascolee

As far as the consumer of insurance is concerned, reinsurance is very much a behind the scenes activity. In no area is this more true than life assurance.

Without reinsurance facilities, smaller life offices would be restricted to accepting comparatively low sums assured. Because of their size, their retention is relatively low, with considerable use being made of life assurance.

There are different ways in which life reinsurance is provided. It might seem sensible for a life office simply to re-insure a set proportion of an individual life risk on the basis that, when a claim is payable, the reinsurance company will pay the same proportion of the claim as its proportion of the risk at the outset. In practice it is seldom as easy as that.

As an example one can take a profit-sharing whole life endowment policy where at periodic intervals bonuses increase the guaranteed minimum sum assured. Reinsurers do not necessarily want to share in paying the bonus element, since the level of bonus is determined by the direct writing company in the light of its profitability.

If one looks back over past results, there can be wide variations in the claim value of policies on similar lives issued by different life offices. A reinsurer may not wish to be committed to paying a share of the bonus element under a policy, since it has no means of telling what the final claim value of a policy issued by any individual office may be.

Many reinsurers feel it is more practical simply to insure the risk of death, receiving premium from the

direct writing office to cover that risk and no more. Irrespective of the amount of reinsurance arranged, the whole of the bonus element would be payable, in the event of a death claim, by the direct writing office.

The principal is different from term assurance — where one buys a policy from a life office for a set period, solely in cover the risk of death, and pays a level premium. A reinsurer office will charge the direct writing office on a risk basis. In other words, as the life which is being reinsured grows older each year, the rate of premium charged by the reinsurer increases.

As the direct writing office builds up premium (even with term assurance, the rate of premium charged at the outset is much higher than the rate being paid to the reinsurer), the amount of reinsurance required diminishes. Typically, over the period of reinsurance, the actual amount of protection provided by the reinsurer will drop, while the rate of premium charged in the sum re-insured each year, and so on.

Large life offices do not need reinsurance protection for the great bulk of comparatively modest policies which they issue. Reinsurance protection, however, is needed in the case of large policies. Usually these are normally term assurance of some kind. The large risks known as jumbos in the trade, usually are on the lives of businessmen. The reinsurers are arranged by companies to cover senior employees, but there are many reasons why there should be an interest for such high sums to be arranged on individual lives.

High sums assured can be placed relatively easily. For instance, a single reinsurer may have a retention of £200,000, in respect of any one life, and may be in a position to provide cover of £1m within 15 minutes, or so.

The reinsurer of the direct writing office acts as a clearing house, arranging protection both with other direct writing offices, and also with reinsurers. The large risks have to be placed internationally. At the point where finding sufficient capacity could become difficult, the original rate of premium charged and the medical evidence in respect of the

life to be insured that risk and no more. Increasing import. Not every approach with an acceptance proposition to accept the business rate which has been although no life of without consulting insurers. Much medical evidence is needed in Britain about the life to be required.

Arranging overseas is not a very expensive, take time. Some feel that probably arrange cover of or so within a good life.

By no means all posing life assurance is often more, in those who have problems — such as those who have from coronary in those with mental and so on.

The position is with what is known as an im much more pronounced in the past. Curious have been medicine, so that visual's prognosis much more optimistic. Insurance market known as jumbos in the reinsurers, has been ing risks and by statistics.

For certain im reinsurance pools practical effect is direct writing by the reinsurer. While one may life insurance is contract with the being played by re offices in providing technical guide light of the medica

While one may life insurance is contract with the being played by re offices in providing technical guide light of the medica

## Middle East finance finds a place

by Patrick O'Leary

Nationalism and nationalisation are placing increasing roles in reinsurance covering developing countries. But the effects on the international companies involved have been masked by a rapid rise over the past decade in the volume of business in Latin America, Africa, the Middle East and the Far East.

Inflation has made this advance seem greater than it really is. American, British and continental reinsurance brokers and companies have also countered restrictions on their operations by going into partnerships with local firms in such countries as Brazil, Saudi Arabia and Nigeria.

Government intervention in reinsurance varies from outright state monopoly to regulations ensuring that a percentage of business is placed locally. In between come restrictions on the entry of new foreign companies or directions on the investment of funds. One of the arguments British insurance companies deploy against government interference at home is that the growth of curbs abroad increases the attractions of the open London market.

Many ministers in developing countries, like their counterparts elsewhere, take a short-term view of economics. They see money flowing out each year to overseas companies in payment for insurance and reinsurance, without weighing the possibility that one year of heavy claims could transform the balance.

A London reinsurance broker commented: "Politicians never work on a net basis, always on a gross basis. First they control the banks and second insurance. Often they have double standards, expecting outside reinsurance to be sound, but not the capital structure of their own state companies."

The broker also saw some danger in the setting up of regional reinsurance bodies, as has happened for example in Africa. "The strength of a pool of companies is only the security of its weakest member," he said. "It is very hard to find an equal pooling arrangement of good securities."

He outlined ways in which brokers had had to re-appraise the service they offered to developing countries. When insurance in African and Asian colonies was handed mainly by the branch offices of large companies there was little scope for the travelling broker. Now those countries were independent and required highly technical advice, and senior executives had to do much more travelling, establishing a true broker-client relationship.

Increasingly, the surplus of petrodollars in the Middle East has found its way into reinsurance. A recent issue of an insurance magazine,

The Review, commented on the growing power of Arab and Iranian reinsurance companies in what was covering Middle East risks.

"By and large this has turned out to be less of an immediate threat to the conventional insurance markets than was thought in those worrying days, immediately after the oil crisis," the magazine said. "A combination of disasters, general underwriting losses and, just plain competitiveness" has put an end to those fears. Simple cash muscle is not enough to "succeed" in reinsurance business long term."

However, Middle East finance will surely maintain a place in the market, both locally and internationally. At least one Arab-owned private reinsurance company is incorporated in Hong Kong.

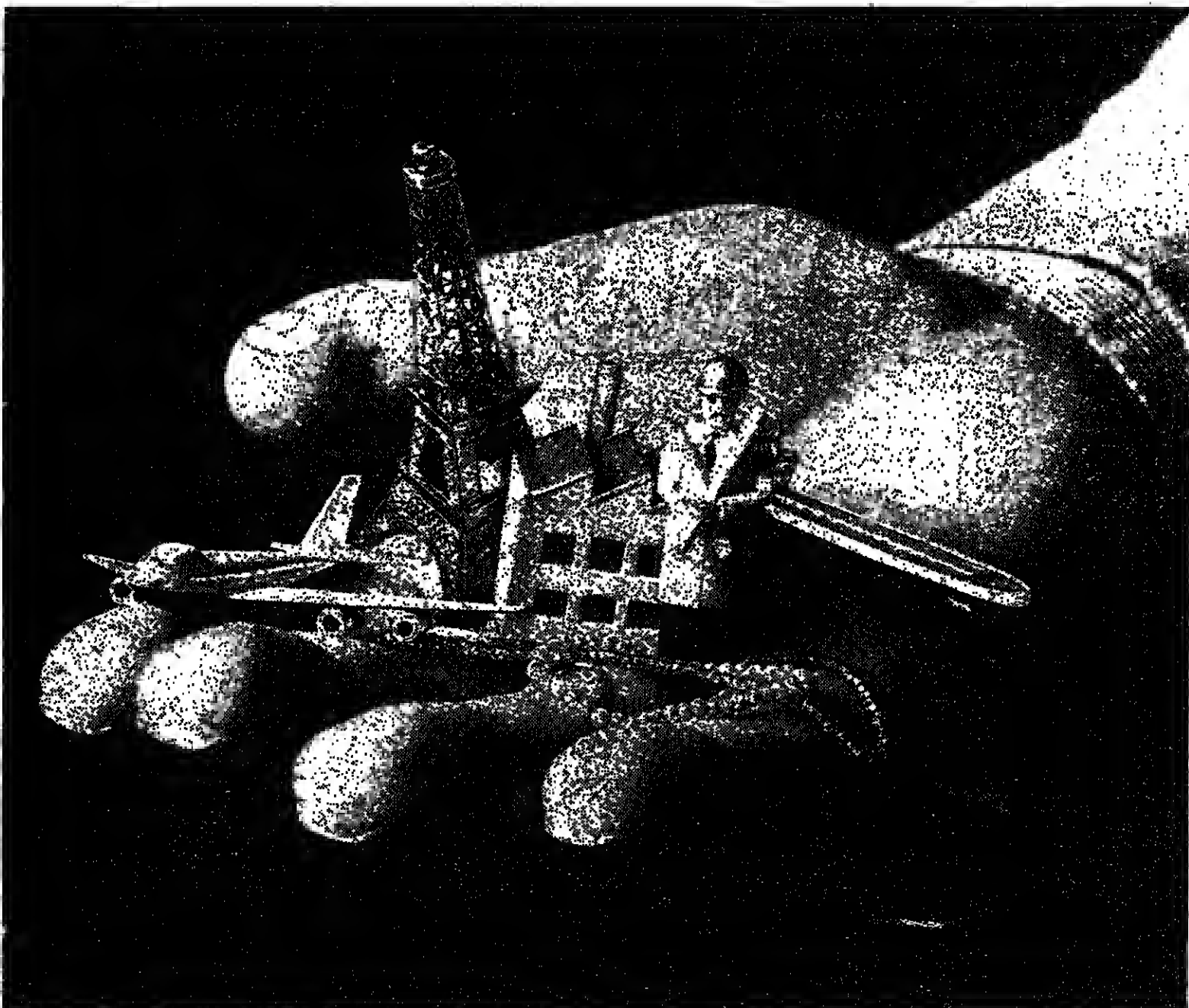
Addressing a conference in Manila recently, M. Pignatelli, chairman and managing director of Société Commerciale de Réassurance, said: "An attempt to achieve a new balance of insurance institutions throughout the world as between developed and developing regions must be undertaken with proper regard to the irreducible principles underlying the techniques of free international risk exchange."

"A market cannot on its own retain the entirety of the risks it writes and each one must, sooner or later, establish links with the rest of the world as a means of ensuring that international sharing in the peak risks which is the true purpose of reinsurance."

He added that in developing countries there was great need for reinsurance cover, both because of structural imbalances in local markets and the fact that certain regions were more exposed to such catastrophes as earthquakes and hurricanes. But at present there was a lack of statistical data to allow proper rates for these disasters to be proposed. The Reinsurance Office Association has begun to fill that gap with a series of reports, including, for instance, one on earthquakes in Mexico.

The movement towards a national slant in business was given impetus by the United Nations Conference on Trade and Development (Unctad) at Geneva in 1964. It urged developed countries to help developing ones to strengthen their national insurance and reinsurance markets. A conference resolution also backed the idea that deposits should be invested in the country where the premium income was earned.

More restrained advice has come in a recent report on insurance in developing countries from an Unctad working party. The analysis sizes the interdependence of insurance markets, the intricacies of assessing risks, the need for sound security and for balanced portfolios of various kinds of business.



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## COURT CIRCULAR

**BUCKINGHAM PALACE.**  
July 27: His Excellency Monsieur Abdul Wakil received in audience today by The Princess Anne, Mrs. Mark Phillips and The Princess Margaret, Countess of Snowdon. Counsellors of State acting on behalf of The Queen, and presented his own Letter of Credence as Ambassador Extraordinary and Plenipotentiary from the Democratic Republic of Afghanistan to the Court of St. James's.

His Excellency was accompanied by the following members of the Embassy, who had the honour of being presented to Their Royal Highnesses: Mr. Farid Alizai (Second Secretary) and Mr. Karim Hanif (Attache).

Mrs. Wakil had the honour of being received by Their Royal Highnesses.

Mr. Hugh Cortazzi (Deputy Under-Secretary of State for Foreign and Commonwealth Affairs), who had the honour of being received by The Princess Anne, Mrs. Mark Phillips and The Princess Margaret, Countess of Snowdon, was present and the Gentlemen of the Household in Waiting were in attendance.

The Prince of Wales travelled in an aircraft of The Queen's Flight to Glyndyffke Manor, Stone Cross, near Esher, Surrey, this evening and attended a Reception given by the Trustees of The Prince's Trust to announce the formation of The Prince's Trust in Sussex.

His Royal Highness was present later at a Royal Gala Charity event at the Royal Albert Hall, London, organised by the Combined Charities Committee in aid of The Prince of Wales's Charities, including The Prince's Trust.

The Princess Anne, Mrs. Mark Phillips attended an Operation Drake Charity Luncheon at the Savoy.

Her Royal Highness was received by the Lord Mayor of Westminster (Wing Commander W. H. Kearney) and the Chairman of the Rehabilitation Trust's Trustees (Commander I. R. Henderson).

Mrs. Andrew Feilden was in attendance.

**KENSINGTON PALACE.**  
July 27: Princess Alice, Duchess of Gloucester was present at a performance of The Royal Tourneament, Earls Court, this afternoon.

Miss Jean Maxwell-Scott was in attendance.

The Duke of Gloucester opened the Timber Research and Development Association's Buildings, High Wycombe, this morning.

In the afternoon His Royal Highness unveiled a plaque at Milton's Cottage, Chant St. George's, London, in honour of the late Sir John Bland.

**YORK HOUSE.**  
ST JAMES'S PALACE.  
July 27: The Duke of Kent was entertained to supper this evening by the Lord Mayor of London, Sir John Bland, and subsequently attended the Diamond Jubilee Celebration of the Norfolk and Norwich Club.

The Queen will hold investitures at Buckingham Palace on October 18 and 26 and November 2, 3, 4 and 29.

The Ambassador of Japan yesterday landed the insignia of the Second Class of the Order of the Rising Sun to Lord Todd, OM, President of the Royal Society.

**Girdlers' Company.**  
The Girdlers' Company has elected the following officers for the ensuing year:

Master, Mr. J. D. Fairclough; Upper Wardens, Mr. N. D. Fairclough and Mr. N. D. Fairclough; Lower Wardens, Mr. N. D. Fairclough and Mr. N. D. Fairclough.

**Birthday today.**  
Dame Joyce Bishop, 82; the Earl of Cromer, 60; Mr. H. W. Cutler, 66; Sir Maurice Holmes, 67; Lord Murray of Newburgh, 75; Dame Rosemary Murray, 65; Sir Humphrey Mynors, 78; Sir Roger Mynors, 75; Lord Pearson, 79; Sir Chief Justice Sir George Phipps, 82; Professor Sir Karl Popper, 76; Lieutenant-Commander P. S. W. Roberts, VC, 61; Sir Geoffrey Streetfield, 61.

**Today's engagements.**  
Princess Anne attends Metropolitan Police Horse Show, East Molesey, Surrey, 12.30.

Exhibitions: Pastel Society, Mall Galleries, The Mall, 10.55.

Stained glass, Royal Exchange, 11.8.

Concert: Carl Flesch Prize-winner's Concert, London Symphony Orchestra, Guildhall, 12.30.

Recitals: Albert String Quartet, Bishopsgate Hall, 1.05. Christopher Denney, organ, St. Paul's Cathedral, 1.20. Christopher Duarte, cello, St. James, Garrick Hill, 1.05.

Shakespeare at lunchtime, Mermaid Theatre, 1.05-1.15.

Shakespear: Tower Place, The Monument, Leadenhall Street, St. Katharine's Dock, 12.2.

Concert: Youth Choir of India, Central Hall, Westminster, 7.

## Forthcoming marriages

The Hon R. C. P. Nall-Cain and Miss J. P. V. Forester.  
The engagement is announced between Richard, son of Mrs C. J. R. Trotter and the late Hon R. C. M. Nall-Cain, of Mells Park, Frome, Somerset, and Juliet, daughter of Mr and Mrs E. V. Forester, of Villa Moot, Grasse, d'Eau, St Brelade, Jersey, Channel Islands.

Mr M. Colquhoun and Miss S. Timmerman.  
The marriage has been arranged between Malcolm, son of Sir Ivan Colquhoun of Luss, Bt, and Lady Colquhoun, Rosdin, Luss, Dumbartonshire, and Susan, eldest daughter of Mr and Mrs Stewart W. Timmerman, Harrisburg, Pennsylvania.

Mr G. P. Barber and Miss L. A. de Verteuil.  
The engagement is announced between Graham, son of Mr and Mrs P. A. Barber, of Ardbrair, Culter, Aberdeen, and Leslie Ann, daughter of Mr and Mrs J. de Verteuil, of Brunel and Trinidad, West Indies.

Mr P. R. Jackson and Miss A. Rowbotham.  
The engagement is announced between Peter, only son of Mr and Mrs M. Jackson, of Ramsey, Isle of Man, formerly of Gosforth, Newcastle upon Tyne, and Caroline, elder daughter of Mr and Mrs C. S. Rowbotham, of The Rose Garden, Sanning, Berkshire.

Major A. C. Lynch-Staunton and Miss M. E. Harrison.  
The engagement is announced between Anthony, son of the late Major and Mrs H. V. C. Lynch-Staunton, and Mary, daughter of the late Rev Dr D. E. W. Harrison and of Mrs Harrison, of 95a Penhryn Road, Bristol.

Mr I. W. Macleod and Miss E. L. Murray.  
The engagement is announced between Ian, second son of Mr and Mrs I. W. Macleod, of Brook, Surrey, and Louise, only daughter of Mr and Mrs Colin Murray, of Millington, Cheshire.

Mr D. Shovel and Miss S. M. Astaire.  
The engagement is announced between David, son of Mr and Mrs Raphael Shovel, and Susan, daughter of Mr Jarvis Astaire and the late Phyllis Astaire.

## Marriages

Mr D. Burnstone and Miss T. Gray.  
The marriage took place in London on Wednesday, July 26, between Mr David Burnstone, son of Mr and Mrs W. Burnstone, and Miss Teresa Gray, daughter of Dr Margaret Gray.

Mr M. L. Chambers and Miss V. Rutherford.  
The marriage took place recently in Paris between Mr Mark Chambers, elder son of the late Mr Martin R. Chambers and of Mrs Chambers, of Mellowstone, Broadway, Worcester, and Miss Vanessa Rutherford, only daughter of Mrs Joan Rutherford, of Cannowalls, Woodbury, Salterford, Devon. A church ceremony and a reception will be held in London in the autumn.

Dr J. P. C. Maiter and Dr J. M. Shephard.  
The marriage took place on July 15 at St Andrew's Church, Oxford, between Dr John Patrick George Maiter and Dr Joanna Mary Shephard.

**Carmen's Company.**  
The following have been elected officers of the Carmen's Company for the ensuing year:

Master, Mr. J. D. Fairclough; Upper Wardens, Mr. N. D. Fairclough and Mr. N. D. Fairclough; Lower Wardens, Mr. N. D. Fairclough and Mr. N. D. Fairclough.

**Drapers' Company.**  
The following have been elected officers of the Drapers' Company for the ensuing year:

Master, Mr. J. D. Fairclough; Upper Wardens, Mr. N. D. Fairclough and Mr. N. D. Fairclough; Lower Wardens, Mr. N. D. Fairclough and Mr. N. D. Fairclough.

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Shakespear: Tower Place, The Monument, Leadenhall Street, St. Katharine's Dock, 12.2.

Concert: Youth Choir of India, Central Hall, Westminster, 7.

**Science report.**  
Space: Europe's Moon project.

Scientists are preparing detailed plans for Europe's first lunar mission, an ambitious project that would put a satellite in polar orbit around the Moon. The enterprise might be followed by a similar mission to Mars. The advantage of a polar orbit is that it makes possible surveys of the entire surface of a planetary body.

The lunar project has just received the provisional backing of the European Space Agency's solar system working group. Britain is a member of the agency and fully expects to contribute only European technological resources, including the Ariane rocket launcher, soon to be developed.



Russian guest: Mr Yuri Temirkanov, music director of the Kirov Opera and Ballet, Leningrad, has been appointed principal guest conductor of the Royal Philharmonic Orchestra (four Music Reporter writes). He made his first appearance in London only nine months ago, but Mr John Bimson, the RPO chairman, said the players had so enjoyed working with him that they had decided on the appointment.

## Frankfurt to get Elsheimer work

By Geraldine Norman  
Sale Room Correspondent

The lost Adam Elsheimer painting that turned up unnoticed in a Sotheby's auction on July 13 is to go to the Städtisches Kunstinstitut in Frankfurt. Mr Jack Baer said yesterday, Mr Baer, of Hanover, said the painting was found in a Sotheby's sale in London only nine months ago, but Mr John Bimson, the RPO chairman, said the players had so enjoyed working with him that they had decided on the appointment.

A sale of silver and objects of virtu at Sotheby's, Belgrave made 15,381, with 6 per cent unsold. The top price was £4,600 (estimate £3,600 to £7,000) for an 18 carat gold two-handled presentation cup and cover made in 1923 in eighteenth-century style and weighing 610g.

Sotheby's in Bond Street held a diamond bracelet with stylized fern leaf design made 19,000 (estimate £12,000 to £15,000). Sotheby's sale of English watercolours and drawings made 23,138, with 32 out of 127 lots unsold.

Stamp sale: An unused pair of 1922 10 shilling stamps were sold for 540 (estimate £225) in the second day of Stanley Gibbons's three-day auction of all world stamps. The second day realized £26,277.

## Latest appointments

Sir Goronwy Daniel, to be Lieutenant for Dyfed, in succession to Captain J. H. Lewis.

Sir Frederick Dainton, FRS, chairman of the University Grants Committee, to be chairman of the British Library Board in succession to Lord Eccles.

Mr R. Z. Foster, of North East London Polytechnic, to be president of the Council of the International Round Table for the Advancement of Counselling.

Mr Martin Reddell, to be prospective Conservative parliamentary candidate for Budefield, East. General election: held by J. P. W. Mallard (Lab) with a majority of 8,414.

Mr E. D. Welton, aged 34, director of music, St Albans Cathedral, to be director of music at St Paul's Girls' School, in succession to Miss Nicola Lefanu.



A silver rupee of the East India Company, with the king's head on the obverse.

## Coinage of India holds a lesson for Europe

By Our Coin Correspondent

Attempts to link European currencies more closely bring to mind past attempts to resolve somewhat similar monetary difficulties. As might be expected, the results have since become of interest to coin collectors.

At school it used to be taught that in India there was no such place as India. It was several kingdoms, states, and principalities. That was what the East India Company found as it pushed its influence further into the subcontinent.

Many of those states had their own coinage. Valuable, writing in 1914, catalogues copper coins for more than fifty years. There were also gold and silver coins with such names as panna, fanam, mohur and rupee. Some of the Indian companies, such as the Dutch and the French, the French and Portuguese, were issuing coinage for their settlements.

The British East India Company met the monetary confusion by the gradual issue of its own coinage. It was struck at mints which the company acquired under right granted to it by certain states, at mints which it set up and, in 1756, by Boulton and Watt in Birmingham.

The process was lengthy, involving the company's issuing coins for the presidencies of Bombay, Bengal and Madras. Those issues, with the many other coinages and the whole history of the subject, fill a 200-page book by Friedman published in 1975.

The next step, in 1825, was a company coinage for use throughout India, intended to replace the coinages issued for the presidencies. Some of the coins in the series had the unusual distinction of having the head of William IV on the obverse and the name of a trading company on the reverse. The company issued coins with the face of the reign of Victoria had a similar distinction.

After 1858, when the company ceased to exist, the British Government took over the issue of Indian coinage. The company's coins were struck in mints at Bombay, Calcutta and Madras, and local issues continued to be struck.

The state of Kutch, which issued a coin bearing the title of Edward VII, was one of 11 sovereign states still issuing coins. Parts of India never taken over by the British.

## OBITUARY

### MGR GUY RIOBE

#### Controversial French bis

Mgr Guy Riobe, Bishop of Orleans since 1963, and one of the most controversial personalities of the French episcopate, has died while on holiday at Port Camargue, on the Mediterranean, at his home. His body was found on a beach on July 18. He was 67.

Mgr Riobe was an ardent proselytist for what he regarded as necessary reform in the life and doctrine of his church. At a time when the French Bishops enjoy no great reputation for controversy-making and confrontation he quickly made a name for himself by a series of challenging statements on a variety of issues. These included condemnations of nuclear tests, political prisoners and torture in Latin America, and French arms exports as well as support for conscientious objectors, and the rights of married men. These pronouncements drew on him a storm of protest, and in the last case, the censure of his peers and of Rome.

Branded as a progressive, even revolutionary, he welcomed the reforms of Vatican II but felt they must go much further if the Church were to be relevant to the modern age, he was aware of the present-day society of youth. Yet the lightning project to the end of his life, he was a devoted and meditative man.

Guy Riobe, in Brive himself, had been brought up in a moral order, came a Christian 35, 10 years after. He held a chaplain to the Ordre Catholique Christian Worker and in the early years attracted large numbers of young people to his teachings of the de Foucault.

In response to Pope Pius XII to the African mission, he was in Africa in 1959, he re-discovered the diocese of Angers was appointed. He was in Africa in 1959, he re-discovered the diocese of Angers was appointed. He was in Africa in 1959, he re-discovered the diocese of Angers was appointed.

## MR G. W. MURRAY

The Master of Marlborough writes:

Gerald Murray, who died on July 23, was a pioneer and polymath amongst schoolmasters. His childhood was spent among the literary lions of Edwardian Dublin. He would have been a doctor had not family financial difficulties forced him to leave Trinity College. Instead he taught—and became a leader in the movement which transformed P.T. to P.E., seeking his training in Scandinavia, on which he wrote a report which the Ministry of Education published. As Director of P.E. in Queen Elizabeth School, Barnet, at Mill Hill, for 20 years at Marlborough, he developed circuit-training and remedial gymnastics. Working closely with the school's Medical Officer at Marlborough he wrote Physical Education and Health. Many newly formed P.E. Departments in other schools sought his advice.

## WILLEM VAN OTTERLOO

Willem van Otterloo, the Dutch conductor and composer, has died in a car accident in Melbourne. He was 70. Otterloo studied at the Amsterdam Conservatory and was later a cellist in the Utrecht Municipal Orchestra. In 1933 he was appointed the orchestra's assistant conductor and in 1937, chief conductor.

In 1949 he became conductor of the Hague section of the Toonkunst choral societies and in the same year, conductor of the Hague Philharmonic. In 1965 he was engaged by the Australian Broadcasting Commission as Chief Conductor of the Melbourne Philharmonic, the beginning of a career in Australia which later saw him as conductor of the Sydney Symphony Orchestra.

His own compositions included a symphony, three suites, a string quartet and a string trio.

## DR M. A. S. BURGESS

The Master of Corpus Christi College, Cambridge, writes:

Though Malcolm Burgess had many friends of much longer standing than myself, it may be appropriate for me to supplement the notice in your issue of July 18, of his tragically early death.

He was a devoted son of the King's School, Canterbury, and of Corpus Christi College, Cambridge, where he left typically lively memories of his work in the decoration of the Hall and more recently of the College Chapel. He was a brilliant amateur, a man of many and various tastes and skills in literature, music and the decorative arts.

His special subject, if he could be pinned down to one, was the Russian theatre of the nineteenth century. However, his interest in Russian affairs was very wide. It gave him, for instance, particular pleasure to act as an expert guide last summer to a "Serenissima" tour of the great churches of Russia, and he presided over the Society of St. Basil in Corpus, with regular meetings and an annual dinner, which was a triumph of cultural and culinary organization.

His very numerous friends, young and older, will remember him vividly for unfailing generosity and a cheerfulness which, in the face of sickness and death, became a high form of courage.

## REV CANON JAMES MCINTYRE

The Rev Canon James McIntyre, Fellow of University College, Durham, and from 1946 to 1968 Canon of Gloucester Cathedral, has died in Canada at the age of 89. He was Rector of Saxony-Ardath in South Devon from 1932 to 1946 and was a JP for the City of Gloucester from 1950 to 1968. He was made Canon Emeritus of Gloucester Cathedral in 1968.

He was twice married, his first wife dying in 1960. He is survived by his widow in London and his daughter in Canada.

## PROFESSOR PHILIP C. FRCS

Professor Philip FRCS, Professor of Surgery at the University of Glasgow, died on July 24, 1978, at the age of 72. He was a member of the Royal Society of Medicine and the Royal Society of Edinburgh. He was a member of the Royal Society of Medicine and the Royal Society of Edinburgh. He was a member of the Royal Society of Medicine and the Royal Society of Edinburgh.

Miss Onassis to see press amid rumours of marriage

From Our Own Correspondent  
Moscow, July 27

After a month of rumours and speculation, Miss Christina Onassis has decided to meet the press in Moscow next week and "clarify certain points". She has been staying in the Tourist Hotel here for the past four weeks, and is said to be planning to marry a Soviet shipping official.

Miss Onassis, daughter of the late Aristotle Onassis, has been married twice before. She denied as "preposterous" rumours that she is to marry Mr Nikolai Kuzov, reportedly head of the tanker division of Sovfracht, the Soviet cargo company. But the rumours have persisted, and were recently reinforced by confirmation from family friends in Athens.

Miss Onassis, one of the richest women in the world, has refused to speak to Western correspondents since she came to Moscow by train from Paris, and has not been seen in public.

Press reports last month said she had been recalled to Moscow. The head of Sovfracht, denied some weeks ago that anyone called Nikolai Kuzov had ever worked for the organization, but another official said a Mr Sergei Kuzov had resigned from Sovfracht some months ago.

A reliable Soviet source said Miss Onassis planned to get married on August 1—the day of her planned press conference.

**Latest wills**  
£10,000 estate for kidney fund

Mrs Erna Maria Gerlins, of Christchurch, left her estate of £10,712 net to the National Kidney Research Fund.

Other estates include (net, before tax paid: tax not disclosed):

Bingham, Mr Robert Henry, of Burton, farmer, £128,824.  
Corman, Mr Albert Borace James, of Aylesham, £123,754.  
Croyd, Mrs Joanna, of Bourne, £273,899.  
Eindle, Mr John Robert, of Girdlestone, managing director, £121,525.  
Marshall, Mrs Mabel, of Nottingham, £149,423.



# THE TIMES

## BUSINESS NEWS

Mr Callaghan  
prods a  
hornets nest,  
Page 19

### 40m release Bank's special posits lifts pe of MLR cut

Whitmore  
Correspondent

An early cut in the Bank of England's minimum rate received a considerable boost yesterday as the moves to release an £440m into the bank's liquidity.

The effect of this liquidity boost, brought about by a cut in the level of special deposits, is that banks are now in a position to hold a larger proportion of their deposits in the form of special deposits, which are eligible for a 2 per cent rate, compared with the 10 per cent rate for ordinary deposits.

The net result of both moves in the special deposit front is that the amount of liquidity in the system will temporarily be nearly £900m greater than it might otherwise have been.

But the injection has been made because of the unforeseen severity in the tightening of the money market, and will be short-term only.

The overall level of special deposits is to be restored to its original 3 per cent level by the end of September, with the 1 per cent of special deposits now being released being called back in on September 26.

In spite of the temporary nature of the Bank's moves, there was a strong feeling in the market yesterday that the way is being opened up for a small reduction in the Bank of England's minimum lending rate, possibly next Thursday. While this might help market psychology and, perhaps, encourage further purchases of government securities, the banks and the building societies are generally in a position to contemplate any reduction in their interest rates at this stage.

### Chief forecasts more ble interest rates

Bank Vogt

Bank of England, chairman, said yesterday that the Bank's forecast for the next few months was that interest rates would remain high.

He said that the Bank's forecast was based on the expectation that the economy would continue to grow, but at a slower rate than in the past few months.

He also said that the Bank's forecast was based on the expectation that the government would continue to pursue its policy of reducing the budget deficit.

### Ann puts seal on tax measures

Peter Norman

Cabinet in Bonn today completed drawing up of tax cuts and increased spending designed to stimulate the economy.

The Chancellor, Helmut Schmidt, said that the measures were a necessary response to the economic difficulties facing the country.

He also said that the measures were a necessary response to the economic difficulties facing the country.

### What the markets moved

100 to 315p	100 to 315p	100 to 315p	100 to 315p	100 to 315p	100 to 315p
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Gold lost \$0.25 an ounce to \$194.125.  
S&P 500 was 1,254.55 on Thursday, while the Dow Jones Industrial Average was at 1,423.3 (previous 1,412.7).

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### Row brews over group's buy-German decision

By Edward Townsend

A political storm could develop over a decision by the Board of Directors of the German company, which is currently receiving almost £30m of state aid, to place machinery orders with a German supplier.

Mr Anthony Wedgwood Benn, Secretary of State for Energy and MP for Bristol South East, is to take up the issue with Mr Eric Varley, Secretary of State for Industry, after complaints from a Bristol machinery company, Masson Scott Threlkeld, that its tender for the order was priced 15 per cent lower than that of the German company, Jagbenberg.

Confidential letters have been exchanged between Mr Benn and Mr J. F. Williams, the chairman of the Board of Directors, but the company said yesterday that it had no intention of changing its decision.

The case, has particular significance, as both of the United Kingdom companies are receiving government assistance. The Department of Industry has approved a £10.5m grant, the largest awarded under the selective investment scheme, for the expansion project at its Worthington car plant in Bristol. The company is receiving a further £18m in state assistance.

Masson Scott Threlkeld, a subsidiary of Molins, the cigarette machinery manufacturer, has also been awarded state grants for product development.

The Board project, which aims to increase the Worthington mill's capacity by 50 per cent to 150,000 tonnes of duplex board a year, will create 255 new jobs at the plant and a further 350 in forestry and transport industries in Scotland and the north. It is to be financed by Unilever, of which Thames Board has been a subsidiary since 1964.

Thames Board has already placed the order for the new board machine with the United Kingdom company of Beloit Walsley, and has stated publicly its policy of buying British equipment where possible.

But workers at Masson's Bristol factory asked Mr Benn to intervene when it was discovered that orders from Thames for auxiliary board cutting machines had been placed abroad.

Dr Stanley Klagsworth, operations manager at the factory, said that the machines had been placed abroad because they were cheaper and better than the British ones.

Dr Kingsnorth said that two of the latest board machines to be installed in Scandinavia had been equipped with German cutters, and they represented the international competition that we have to face.

### Electricity supply profit of £133m more than doubled on year after 40pc depreciation offset

By Nicholas Hirst  
Energy Correspondent

Electricity supply—the last of the major nationalised industries to report on the year to end-March—made £133m, following the trend of high profits from the Gas and Post Office Corporations.

The £133m (against a comparable £22m) would have been another £160m higher but for the inclusion of a 40 per cent additional depreciation charge, made as a first step towards inflation accounting.

A similar practice adopted by the South of Scotland Electricity Board was strongly criticised by the Price Commission as being unfair on consumers.

But it was defended yesterday by Sir Frank Tombs, chairman of the Electricity Council, who said he believed the 40 per cent supplementary charge was a step in an orderly move to inflation accounting which would be completed during the next three or four years.

Sales of electricity increased by 2.4 per cent during the year, but after making adjustments for more severe weather the underlying trend was an increase of only 1.3 per cent.

However, despite rises in fossil fuel costs of an average 17 per cent a tonne against a rise in the retail price increase of 14 per cent, the Central Electricity Generating Board, which is responsible for output at power stations, had achieved its aim of breaking even with a £17.8m profit.

Coal provided the major part of output and, as a result, Mr Glyn England, the CEBG chairman, said the board and its customers had a direct interest in the health of the coal industry. "The sad fact is," he said, "that the significant price advantage coal had over oil has largely withered away."

The merit order system of using the most price-efficient stations to meet demand, which had worked in coal's favour in recent years, has gone into reverse.

But Mr England still thought that power stations would burn their 70 million tonnes target of coal this year. The National Coal Board, however, is discussing ways of increasing this by a further three million tonnes.

"If assistance were to be given by subsidy it must be given in the most direct way possible, and that is to assist the NCB by making its prices more competitive," he said.

Mr Anthony Wedgwood Benn, Secretary of State for Energy, had been reported as suggesting that the CEBG should be brought more under government control.

"What is being suggested is very different from the rules we are operating under now," Mr England said. "We all accept that energy has become a major element in the economic and political life of the country, but I don't believe any change in the rules is imminent."

Leading article, page 15



Mr Glyn England, chairman of the CEBG (left) and Sir Frank Tombs, chairman of the Electricity Council, yesterday.

### Concorde's £17m setback for British Airways

By Arthur Reed

British Airways made a profit of £33m after interest and tax in the financial year 1977-78 after taking into account a loss of £17m on operating Concorde.

Sir Frank Macfarlane, the chairman, said yesterday.

This compared with a profit of £35m in the previous financial year, when Concorde lost £8m.

The airline will now be operating under a new scheme under which the Government will operate Concorde as agents, with government accepting losses, which are expected to continue.

Sir Frank said that although the profit for the year was relatively satisfactory, tax adjustments and good results from the subsidiary companies had tended to obscure the much-less acceptable performance of the airline operations—the main pillars of the business.

Airline operations, in isolation, showed a surplus of only 4 per cent of revenue over operating expenses. Even after making allowance for the £17m loss on Concorde, the margin was uncomfortably small.

No dividend on public dividend capital had been declared for the year, pending completion of discussions on the future treatment of this form of finance in the British Airways capital structure.

Sir Frank said industrial disputes in Britain and abroad had affected the overall results, with a strike by British air traffic control assistants severely cutting the airline's capacity from August until the end of the summer last year.

Other factors were fluctuating exchange rates, political and economic difficulties in Africa, and extra costs involved in avoiding Vietnam airspace.

Of 59,000 man days lost by the airline during the year, 49,000 were as a result of an engineering strike in April, 1977. Industrial troubles had also prevented the introduction of the London-Johannesburg route, flown by the Rolls-Royce powered Boeing 747.

These difficulties were compounded by the withdrawal of Trident for wing inspection. This had aggravated the capacity shortage, which extended into the current financial year, and the resulting disruption of schedules had brought about a loss in market share.

The investment requirement for replacement aircraft was £950m. Re-equipment involved a continuation of the airline's policy of fleet rationalization. Some 80 of their present aircraft would not meet new noise regulations to be introduced in the mid-1980s, while a further 25 would be obsolete before 1986.

A prerequisite for survival in a growing competitive market was a greater degree of stability in industrial relations, Sir Frank said. There were still many problems to be overcome before British Airways could reach its objective of a high productivity—high pay airline.

The airline carried 13,400,000 passengers in 1977-78, an 8 per cent decrease on the previous 12 months. Traffic revenue per employee was £21,400, compared with £20,331 in 1976-77.

### Flexible hours planned at 20 Barclays branches

By Ronald Pullen

Barclays Bank is hoping to introduce more flexible opening hours at 20 of its branches. The bank will be using an experiment to gauge the demand for banking services outside the regular 9.30 to 3.30 opening times.

The branches will open slightly earlier than usual or close later during the week, there is a revenue over the scheme being extended to include Saturday opening. The proposals have the agreement of staff unions, and are due to be discussed with the National Union of Bank Employees next week.

The NUBE spokesman said last night that as long as its members were protected it, too, would be flexible.

### Inchcape loss of £5m on cocoa deals

Inchcape, the international trading company, has revealed losses of £5m by a commodity trading subsidiary in Holland.

The losses were made in cocoa dealing by the wholly-owned subsidiary Harborn. They were the main cause of a fall in the group's profits in the United Kingdom and Europe from £12.8m to £7.6m.

The news, combined with the announcement of a fall in overall group profits, from £72.4m to £62.3m, was enough to knock 23p off the value of Inchcape's shares to leave them at 380p.

Inchcape said Harborn had previously been profitable.

Financial Editor, page 19

### In brief

#### BP finds more oil in Buchan field

British Petroleum has made a new oil find in its Buchan field which could add substantially to reserves.

As operator of the field for a group comprising Candel Oil (UK), CCP North Sea, Charter Oil, City Petroleum, Gas & Oil, Acreage, Lochiel Exploration, Natomas International and St Joe Petroleum, BP said it had found oil at between 7,000ft and 8,000ft.

The oil was typical of the light North Sea crudes and flowed at a final rate of 3,500 barrels a day.

#### Shares have best day for six months

A technical position on the stock market yesterday, where jobbers were caught short of stock, lifted shares to their best level for over six months.

The FT ordinary share index, after dipping 2.7 during the first half hour of business, ended the session 6.8 up at 488.5.

Much of the turnover came in after hours business.

#### Chrysler peace talks may resume today

Senior Chrysler executives and car union leaders are expected to resume talks today to find a solution to labour troubles at the company's Scottish car plant at Linwood, Renfrewshire, in which a strike of 550 paint shop workers made more than 8,000 other men idle.

#### Giro changes name

National Giro, the banking arm of the Post Office, is being renamed the National Girobank. The Post Office says the new title, which will operate from this week, better describes the service. A new logo style will be introduced over the next few months.

### Gulf Oil to pay \$42m

From Our United States  
Economics Correspondent

Washington, July 27

Gulf Oil Company has agreed to pay the United States Government \$42m (about £21.5m) as a result of claims made by the Department of Energy that Gulf overstated costs in its refinery pricing for crude oil bought by Gulf's foreign affiliates from Venezuela, Ecuador, Colombia, Nigeria, Angola and Indonesia.

Mr Paul Bloom, head of the office of special counsel of the Department of Energy, stated that this was the largest payment made as a result of such a government charge by a major oil company.

### £10.5m Comben shares and cash offer for Orme

By Peter Wainwright

Orme Developments, the housebuilder controlled by Mr Peter Whitfield and Mr Bob Tanner until last week has received a £10.5m bid following its sale of 22 per cent of the share capital in Saint Piran, the tin mining company and housebuilder. The offer in shares and cash has come from Comben.

This Bristol-based company is 76 per cent owned by Carlton Industries, which is in turn 52 per cent owned by Hawker Siddeley.

Comben, which has no shareholding in Orme, is offering 162p in cash and five of its ordinary shares for every six shares in Orme. The 57.5 per cent offer is not apparently to be underwritten.

If it goes through, the bid will make Comben Britain's second largest housebuilder after Barrat Developments. It will also decisively weaken the Hawker Siddeley connexion by diluting its holding in Comben.

The bid, may, therefore, be seen as the possible prelude to Hawker's sale of Comben, which was acquired when it bought London Merchant Securities' stake in Carlton last month.



## Royal recognition. What greater honour could your firm have?

The Queen's Awards for Export and Technology are among the most coveted industrial awards in Britain. If your company has made an outstanding contribution in either field, it could well qualify.

Think what an award like this could do for your firm's prestige. And what valuable publicity it would afford you.

Holders of The Queen's Award, which is valid for five years, are entitled to display the emblem on their firm's stationery packaging and products. Use it in their advertising and promotion. And fly the distinctive Queen's Award flag.

It's an emblem which could bring you national and international renown.

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To: The Secretary, The Queen's Awards Office, Williams National House, 11/13 Holborn Viaduct, London EC1A 1LL.

Yes, please send me an application form with full details of the 1979 Awards.

Name \_\_\_\_\_

Position in Company \_\_\_\_\_

Name of Company \_\_\_\_\_

Address \_\_\_\_\_

I am interested in (tick) Export ☐ Technology ☐ Both ☐

Please note: The closing date for return of applications is 31 October 1978.



## \$290m ENI pipeline pacts signed with Algeria

From John Earle  
Rome, July 27

Signor Pietro Sette, chairman of the Italian State hydrocarbons corporation ENI, today said two agreements worth \$290m were concluded yesterday with the Algerian state corporation, Sonatrach, for an ENI subsidiary to build in Algeria a 290-mile oil pipeline and a 350-mile section of gas pipeline.

The gas section is the first stretch of the 1,500-mile Transmed pipeline which, from 1982, is to supply Italy annually with 12,000 million cubic metres of Algerian methane.

Last Saturday the ENI subsidiary, Saipem took delivery of the laybarge Castoro Sei, which with an operational capacity down to 2,000ft—twice that of the most advanced American units—has been designed to start work late next year on the marine section across the Sicilian channel.

Signor Sette, who was addressing a meeting on energy consumption in Italy, said when the Transmed pipeline came into operation, ENI would be able to supply the country with about 45,000 million cubic metres of gas a year.

He also revealed that moves were under way to expand ENI's activities outside the Mediterranean and Middle East. He said discussions had been initiated with China on the possible participation of ENI group companies in developing that country's petroleum potential.

On the basis of two agreements recently signed with Vietnam, the ENI group would soon begin offshore exploration there.

Together with the Venezuelan state company, Petrosven, a joint consultative committee had been set up to discuss world petroleum policies, technological developments and scientific research.

Exchange has been started with the Mexican state company Pemex which, Signor Sette believed would offer interesting prospects of collaboration for ENI.

## EDC advice to industrial builders

By John Huxley

Opportunities to sell more factories and warehouses are being missed by the construction industry because it is unable to meet the needs of manufacturers, according to a report by the building and civil engineering economic development committee (Little Neddies).

Participants in construction are too concerned with their own roles vis-à-vis other participants. "A customer-orientated approach could substantially increase the demand for industrial building," the report maintains. Construction leaders see industrial building as a major growth area at a time when continued expansion of the public sector workload can no longer be expected.

Although industrial building suffered from recession, with output between 1970 and 1976 falling 30 per cent, a recovery began in 1976 was maintained last year. New orders, measured at 1970 prices, totalled 139m, against 132m in 1976.

Building accounts for about 13 per cent of total fixed capital expenditure, and despite uncertainty about investment intentions Little Neddies forecasts have been predicting an 8 per cent boost in the private industrial sector this year, and a further 4 per cent increase in 1979.

Yesterday's report should prove both a useful marketing tool and a yardstick by which individual companies in the industry can judge their services.

The report says that investment in industrial building by many companies is inadequate, because they are unwilling to replace obsolescent buildings, or when they do, spend insufficient money to obtain the right building.

However, a sample survey and case studies showed that by improving production layout and working conditions, investment in buildings brought about real improvements in productivity and profitability.

Government is held partly responsible for the failure to invest in building. The report reiterates the request, frequently made in the past by construction leaders, that accelerated depreciation allowances should be given on buildings, which would place them on the same investment footing for tax purposes as plant and machinery.

The report is very critical of the industry itself, because it failed to give the project leadership required.

"The survey shows that the average industrial user does not know, or wish to know, the complexities of the construction industry and requires one of the participants from the industry itself to take responsibility for the project, to ensure good coordination between design and construction, and to see that the building is completed to specification and within the time and cost limits agreed."

Many manufacturers were dissatisfied with the help given by builders in developing a brief and complained about delays in rectifying defects. A better after-sales service would improve the industry's image, the report points out. Clients also criticize the standard form of contract, and the authors of the report suggest that an alternative document should be drawn up for industrial building. The report also examines the impact of civil engineering infrastructure, such as roads, ports and drainage, on investment decisions and manufacturing efficiency, and the industrial strategy generally.

The report is itself market-orientated and was welcomed some time ago by Sir Reg Fresson, Minister for Housing and Construction, who warned the industry that it must not "sit back and wait for business to fall into its lap."

\*Construction for industrial recovery, Stationery Office, £2.

## Societies told to widen disclosures

By Derek Harris  
Commercial Editor

Building societies should, in their regular directors' reports, tell their members more about their policies, operating conditions, future objectives and other significant developments.

This was urged yesterday by Mr Keith Brading, the Chief Registrar of Friendly Societies, who is the watchdog of the building society movement.

In his annual report on the building societies Mr Brading says that in many societies little more information is given in the directors' report than satisfies the minimum legal requirements.

He agrees there are space restraints in such reports. Net investment receipts last year were £4,326 m, a 70 per cent increase on the previous year. Total assets rose by 21.6 per cent to £34,288m. Both the number of advances (£46,000) and the amount advanced (£6,745m), set new records.

\*Chief Registrar of Friendly Societies Annual Report, Part 2 (Building Societies), Stationery Office, £1.25.

## Swiss group to take over Britten-Norman

By Arthur Reed  
Aircraft Correspondent

Pilatus Aircraft, members of the Swiss Oerlikon-Bührle group, are to take over Britten-Norman (Bembridge), developers of the Islander and Trislander airliners.

Sir Charles Hardie, the receiver of Britten-Norman, said last night that he had accepted a letter of offer from Pilatus which would buy all the assets.

These included the B-N facilities on the Isle of Wight, and complete Islander/Trislander hardware, including jigs and tools and stock materials, which were located at the Fairley SA factory in Gosnell, Bedfordshire.

Under the terms of the formal purchase contract, Pilatus would acquire the exclusive production and marketing rights for all B-N products.

Part and licence production of Islander aircraft was planned to continue in Romania and the Philippines under new agreements.

A statement from B-N (Bembridge) last night said: "In order to reestablish confidence of B-N customers after the long period of the Fairley Britten-Norman receivership, the management of Pilatus has approved and been authorized to start an immediate action plan to improve sales and product support."

The plan would include introduction of an improved Islander version, to be called the BN2-B Islander II. It would have an increased landing weight, better soundproofing and a new instrument panel.

Feasibility studies for new developments of the B-N aircraft line, including a new turbo-powered Islander, would be carried out.

Britten-Norman was established in the Isle of Wight by the late Mr John Britten and Mr Desmond Norman. The company designed and built the successful Islander and Trislander aircraft, 830 of which have now been sold.

The Pilatus company is best known for its Porrier line of short take-off and landing aircraft.

## EEC policy boosts maize costs in UK

By Hugh Clayton

Costs of maize products to British food companies were as much as 20 per cent higher than necessary because of the EEC's Common Agricultural Policy, the Price Commission said yesterday in its most detailed and critical review of the policy since it was founded five years ago.

Prices would rise again at the start of August because of further community measures. The commission was reporting on the industrial division of CPC (United Kingdom), which is part of Corn Products Company of New Jersey, the largest supplier of maize products in the world. It is best known in Britain for products such as maize oil and blamange.

The price at which north American maize could be brought into the EEC in June the commission said was 139 units of account a tonne.

The price rises which had prompted its study should be allowed to go through, the commission said, and it made a comment which was immediately rejected by the company. It claimed that the industrial division of CPC (United Kingdom), which had a dominant market position, was supporting the consumer division by supplying it with maize products at cost.

Mr Peter Ware, managing director, said: "We simply don't accept that the industrial division supports the consumer division. There is not any deliberate cross-subsidization."

CPC (United Kingdom) increases in prices; Stationery Office, £1.

## LETTERS TO THE EDITOR

### Is moonlighting moonshine?

From Mr J. D. Hey  
Sir, in an article in *The Times* entitled "Puncturing the boom" on June 29, your economics correspondent David Blake comments: "What about the widespread suspicion that the economy's growth is very rapid but is concentrated in the black market or moonlighting sector because of the impact of tax rates?"

In answer to this question, Mr Blake goes on to say: "The problem with this theory is that we have not one but three ways of measuring the output of the economy and at least one of them (that based on expenditure data) ought to pick up the effects of moonlighting. Yet the three measures have not shown any greater divergence than usual in the recent past, which would argue against a great growth in moonlighting."

According to figures in the June 1978 issue of *Economic Trends*, the expenditure-based GDP estimate was some 0.3 per cent higher than the output-data based GDP estimate over the three-year period 1972 to 1974. However, according to figures in the latest CSO Press Note (CSO 78) 53, the expenditure-data based estimate was 1.4 per cent higher than the output-data based estimate over the three-year period 1975 to 1977, and 1.8 per cent over the two years 1977.

Moreover, with the third quarter expenditure-data based estimate in the first quarter. Furthermore, the data based estimate exactly the same as the three years inclusive.

Is moonlighting JOHN D. HEY, University of York, Heslington, York YO1 5DO.

### Extend job subsidies to learning more skills

From Mrs Daphne Hampton  
Sir, Unemployment figures get higher and higher yet there remains a significant shortage of workers in many skills: an extraordinary situation in which the answer seems to be more training in the skills where shortage of manpower is known to exist—which sounds easy but does not always seem to be so in practice.

As an employer of "difficult-to-find" skilled labour there is a measure which I feel would be helpful: an employment subsidy payable for six months to employers offering permanent employment and on-going training to persons leaving Skillcentres at the end of their training periods.

Skillcentre courses usually follow a basic framework intended to give trainees a good background of skill which can be built up in employment. For example, a skilled tradesman such as a vehicle body repairing—cannot be learnt

completely in six months, and it is not possible to pay the skilled rate to a person at this level of proficiency.

Nevertheless, a trainee leaving a Skillcentre naturally expects to be paid the remuneration of a skilled man when he starts work. The difficulty would be to overcome if an employer could receive a subsidy of say a third of the skilled rate for the first six months of the trainee's employment. This would ensure that the trainee had a permanent job and a good wage while becoming more skilled in his trade.

If national funds can be used to help in the training of persons to a high degree of skills for which there is a vital need—the money will be well spent.

Yours faithfully, DAPHNE HAMPTON, Managing Director, Hampton Bros, Stratton Road, Swindon, Wilts SN1 2PS.

### Merchant fleet slipping

From Mr J. D. Stettinford  
Sir, Vice-Admiral Sir Ian McGeoch's letter (*The Times*, July 25) carries a significant error of fact. The British merchant fleet has now slipped to fourth largest in the world: that much maligned Greek fleet is third (source: *Lloyd's Register of Shipping*).

I think no further comment is necessary as to the urgent need for the Parliamentary Under-Secretary of State to make the suggested "grip" on his responsibilities.

Yours faithfully, JOHN O. STETTINFORD, 243 Bushy Mill Lane, North Watford, Herts WD17 4PF, July 25.

### Delay over Dungeness B

From Mr G. L. Atkinson  
Sir, Mr Don King (July 17) should know that merit, like beauty, oft-times lies in the eye of the beholder. An eye which ignores massive research costs in a rosy view of nuclear power cannot be shielded by "technical restraints". Moreover, instead of remarking about Drax "B" as chairman of the London Electricity Consultative Council Mr King surely should be looking nearer home at Dungeness "B"?

When will it be ready, and what has the delay cost us as taxpayers and consumers?

Yours faithfully, G. L. ATKINSON, 272 Morning Road, South Shields, July 24.

### Terrotech—an attitude of mind

From Mr D. Park  
Sir, Kenneth Oak courageously on the HMSO's *Handbook* but at the same time would be new to men and industry.

We would certainly agree that the fact that so closely allied agencies might be enjoying dramatic as something in senior managers known to already testified of applying the "Terrotechology" with "value for specification, design and ownership of every and buildings with the right attitude, but then makes function cost analysis cycle cost analysis.

As editor of *Handbook* this new publication with establishing a code of mind of the National Centre I believe Centre's range of training and advice can help with the application of the "Terrotechology" with "value for specification, design and ownership of every and buildings with the right attitude, but then makes function cost analysis cycle cost analysis.

Yours faithfully, DENNIS PARKE, Director, National Terrotech Centre, Cleve Road, Leatherhead, Surrey KT22 7SA, July 24.

## Nations facing slower growth, OECD predicts

Economic growth in the industrialized nations will, on average, remain below historical levels during the first half of next year, according to the Organization for Economic Co-operation and Development.

Prices will, on average, hold around 7 per cent in three of the seven most industrially-developed nations prices will be rising faster in the first half of 1979 (at an annual rate) than during 1978.

The United States will see slower growth—3 per cent at an annual rate.

### OECD INTERNATIONAL FORECASTS

	GNP (% changes at annual rate)			PRICES (% changes at annual rate)			CURRENT ACCOUNT (\$ billion at annual rate)			UNEMPLOYMENT (a) (% of civilian labour force seasonally adjusted)		
	1977	1978	1979	1977	1978	1979	1977	1978	1979	1977	1978	1979
Japan	4.9	3.75	3.0	5.5	7.0	7.5	-20.2	-25.0	-18.0	7.0	6.0	6.25
USA	5.1	4.5	3.5	7.5	5.0	5.5	11.0	17.5	13.0	2.0	2.0	2.0
Germany	2.4	2.5	2.75	4.0	3.0	3.0	3.8	5.0	3.0	4.5	4.5	5.0
France (b)	3.0	3.25	3.75	9.5	10.0	9.5	-3.2	-0.8	-0.7	—	—	—
U.K. (b)	0.7	2.75	1.75	14.2	8.75	7.5	0.3	1.8	2.2	—	—	—
Canada	2.6	4.0	4.0	7.3	7.0	7.0	-3.9	-3.5	-4.2	—	—	—
Italy (b)	1.7	2.0	3.0	18.4	12.5	14.0	2.3	3.3	4.0	—	—	—
Total OECD	3.6	3.5	3.25	8.0	7.0	7.0	-32.0	-17.0	-17.0	5.25	5.25	-5.25

Reproduced from OECD Economic Outlook for July 1978.

a) Representing over 90 per cent of OECD labour force. A rate of 5 per cent represents about 15 million unemployed excluding Portugal and Turkey; including these countries the number unemployed is about 17 million.

b) GDP figures in first three columns.

## Alcan fears loss to Britain if US air project chosen

By Clifford Webb

A major expansion of Britain's only source of aluminium plate for aircraft and armoured vehicles—the plant of Alcan at Kitts Green, Birmingham—could be shelved if the Government aligns the British aircraft industry with American rather than European partners, industry sources are claiming.

A decision must be taken quickly. At present the only other producer of plate in Europe is the French Cegedur group, based at Issou. But it has recently been reported that the American Kaiser Corporation is investing heavily to build an aircraft plate facility in Germany.

Demand for plate has increased so sharply in recent years that there is now a world shortage. One of the main reasons is the change in aircraft construction from sheet aluminium (riveted to extruded frames) to aluminium plate.

Sources say many of the existing civil aircraft to be replaced by next generation jets were made by the old sheet system. Introduction of plate on such a large scale means big

business for the aluminium producers.

Something like 200 tons is required for each aircraft, but extensive machining reduces the final content to 20 tons.

Kitts Green is already working flat out to meet an order book which stretches beyond 1979. It is turning away business. Management frankly admits that a case can be made out now for limited expansion. The problem is the time-cycle involved in the aircraft market.

Another factor is the cost of expansion. The production of aluminium plate is a highly capital-intensive operation. A single piece of machinery can cost £10m, but one to give double the output will not cost double the price.

And that is Alcan's present dilemma. Until Britain's role in the supply of next generation aircraft is spelt out it cannot forecast its potential market requirements.

Kitts Green already does good business supplying plate for American military aircraft, but it is five years since it last won a civil aircraft order from that source.

## State aid promised to save ailing cutlery industry

By Derek Harris

Government action to ensure that Britain's hard-hat cutlery industry will get whatever help it needs to secure a return to industrial health was promised yesterday, according to a delegation of industry leaders, MPs and trade union representatives after meetings in London.

But Mr Michael Meacher, Under-Secretary of State for Trade, said that the details of an aid programme would have to wait until the results were known of a Government-backed survey on the state of the industry had been completed by the Sheffield-based Cutlery and Allied Trades Research Association.

Meanwhile major importers should consider some self-policing on imports, it was suggested.

An interim report which should give the Government a basis for action, possibly including import controls, is expected to be ready by the end of August or early in September.

The major problem is imports of cheap stainless-steel cutlery from the Far East. The industry faces an import penetration of

more than 90 per cent in this type of cutlery.

While the industry is waiting for the results of the survey, another attempt is to be made to settle the additional problem of the importing of stainless steel blanks from the Far East by British makers, who then silverplate them and stamp them as made in Sheffield.

There has been a growing controversy within the industry over this trade. The Sheffield City Council—whose Councillor Clive Betts, its industrial development advisory committee chairman, led yesterday's delegation—has been considering whether to take up a test case under the Trade Descriptions Act as one way of dealing with the plated blanks issue.

But now the council is to convene a meeting as soon as possible of cutlery industry leaders to try to thrash out some solution. One possibility is for Government to issue a clearing order establishing how much additional work in Britain on items like imported blanks is necessary to constitute the substantial change which allows an article legally to be stamped as made in England.

## Tory Bill to make auditors reveal shareholding

A Bill to ensure the disclosure of auditors' shareholdings in companies whose accounts they are auditing was introduced in the Commons yesterday by Mr Terence Higgins, Conservative MP for Worthing and a former Treasury Minister.

He said later: "The various proposals put forward by the Government for company law reform fail to deal with the question of auditors' shareholdings. In general I am in favour of self-regulation, and I hope that the exposure drafts on ethical rules on professional independence for auditors put forward by the various accountancy bodies will be approved and made effective."

"Nonetheless, it seems clear that legislation is necessary to ensure the disclosure of auditors' holdings."

Mr Higgins, who is an Associate of the Institute of Chartered Shipbuilders, conceded that there will be no parliamentary time this session for his proposals to be debated but he thought it appropriate that the Bill should be published to facilitate public discussion.

## Chemical imports rose 20pc in first quarter

By Peter Hill  
Industrial Correspondent

Chemical imports in the first quarter of this year rose by 20 per cent, and although the rate of import growth over the rest of 1978 is likely to slow down considerably, the level will be substantially higher than in 1977.

According to the latest survey of the industry undertaken by Whitehall, the value of imports in the first quarter amounted to £73.1m at current prices, compared with £61.6m in the final three months of last year.

The survey, published in the latest issue of the weekly government journal, *Trade and Industry*, was attributed to the general conditions of overcapacity throughout Western Europe and the artificially low prices this has engendered.

Output of the industry rose by nearly 2 per cent in the first quarter of this year, the survey noted, following a fall of about the same scale in the final three months of 1977.

This year chemical production is expected to show "modest growth", reflecting a slow increase in activity in the economy as a whole.

The survey, which follows the latest quarterly survey undertaken by the Chemical Industries Association, said output prices were up nearly 3 per cent in the first three months of the year, while the volume of investment fell slightly on the levels achieved in the final three months of 1977.

Declining profitability characterized the financial performance of international chemical companies, according to the latest financial survey\* of the industry published by the weekly journal, *Chemical Age*. Only a few companies showed increases of over 20 per cent in 1977 profits compared with the previous year.

According to the survey, only Du Pont, the American company, among the 15 showing the highest value of sales, increased its profits, with a rise of 11.9 per cent. That was sufficient to take Du Pont from being the world's third most profitable chemical concern into first place, overtaking Dow Chemical and ICI. United Kingdom companies accounted for 9.1 per cent of world chemical sales last year.

\*CA 200, published by Chemical Age at £5.

## End-winter fall of 5pc in UK coal consumption

By Nicholas Hirst

Consumption of coal in the United Kingdom in the three months March to May fell by 5 per cent over the same period last year, while the general trend of energy usage remained stable.

Department of Energy figures on consumption come at a time when talks are taking place between coal and electricity industry leaders to increase the coal burned at power stations to reduce the build-up of stocks.

Overall energy consumption during the three months was only 0.3 per cent higher than in the same period last year. Consumption of nuclear electricity fell by about 8 per cent, but that drop, with the fall in coal usage was made up by a 5 per cent rise in consumption of natural gas and a 4 per cent increase in petroleum.

Coal production during the first half of 1978 at 67.3 million tonnes was marginally higher than in the corresponding period last year.

As a result there had been a 400,000 tonnes increase in stocks since the beginning of the year, whereas in the first half of 1977 there was a decline

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BY THE FINANCIAL EDITOR

## Preparing for a cut in MLR

ickly times change! The message of the week's decision to defer the recall of deposits was that the authorities wish temporary money market rates to create any unwarranted upward pressure on the general level of interest. The message with yesterday's decision to create any further and release 1 per cent of Special Deposits into the market was that the authorities do not appear to be rather different. At the same time, the authorities do not seem to be a money market bottleneck to a possibility of a fall in the level of interest rates, assuming of course that this would be a development which could be justified. Yet we would now seem to be moving to a modest cut in Minimum Lending Rate. Just how close, though, to be seen. While there are obvious reasons for not delaying any planned MLR until such a time that it would be a blatant piece of electioneering, a cut in MLR is not a card to be tossed at lightly, not least against a backdrop of unpredictability in the foreign exchange markets.

On exchange movements apart, the most certainly lies with the Government's programme, for there must be some wish to tie up the September.

## Preparing for new areas

esterday's cocoa debacle turned a figure from Inchcape into a disaster. The two other main problems of consolidation of results combined falling trading conditions in Nigeria to a 15m reduction in profits from currency movements—were well beforehand but the £5m cocoa loss arbor cut UK and Europe profits 2.8m to £7.8m in a year when the nation should have been at least red. Group profits were left 15 per cent at £62.3m, neatly repeating the three year cycle of good growth followed by a spectacular fall. But, any hopes now of returning to a pattern of steady growth and a sudden upturn in world trade or in the pound would transform the picture. But, this apart, Inchcape's growth record over the last decade seems to have ended. The next stage, therefore, is not the style to progress by simply strip problem areas so acquisitions are. In the UK this has been successful in the motor trade but either North America, which jointly contributed 10 per cent of profits this time, must maintain target area.

ccess of that move is evidently the shares. Arguably, however, could be some short-term come back yesterday's 23p fall to 380p, where it fell 5.9 per cent on the basis of 7 features this year; and therefore some modest growth.

## Business Diary: Hattersley's hat-trick, Parkinson's lore

attersley, the Secretary of Prices and Consumer Protection, recently of the mail-order and industries by the European Commission. He has been in the forefront of the Commission's drive to speed up its support of initiatives in Brussels. He has been in the forefront of the Commission's drive to speed up its support of initiatives in Brussels.

at one of the country's leading industrial pressure groups and trade associations at an interesting time. There is a general election brewing and BEAMA members are also looking anxiously towards the European Commission and its plans for product liability and the harmonization of standards.

As for the election, he told BEAMA members at their annual lunch yesterday that he expected "another stiff dose of socialism" or if the Tories got in, a short period of confusion.

It's impossible. Half the workers want greater equality while the rest want wider differentials.



Mr. Colin Corness, Chairman of Redland.

Industrialists had a rude awakening yesterday when they read the joint Labour Party-TUC document on future policy. "Into the Eighties: An Agreement"—widely interpreted as a basis for Labour's election manifesto—was introduced with all the authority of the Prime Minister, no less, and it pledges additional statutory powers which would place pressure on all major companies to sign planning agreements with Whitehall departments.

With only one planning agreement under its belt—that signed by Chrysler UK (which anyway is under legal contract with the Government for the huge aid it is receiving)—the efforts to date of the present administration to persuade big business to sign pacts for exchanging information and working with Whitehall have been a total failure.

Businessmen, of course, are scornful of the whole concept; indeed there is outright hostility. The very revival of talk of statutory powers and possible compulsion will recruit even more men for the defence of British industry, a bitter opponent.

At the Department of Industry, civil servants speak of planning agreements in whispers, knowing well the danger that lurks around them when the then Secretary of State, Mr. Anthony Wedgwood Benn, pushed for their introduction.

His successor, Mr. Eric Varley, retreated, publishing a paper on the subject three years ago, and emphasizing the voluntary nature of agreements. Industry has since totally ignored the whole issue, believing it was dead and buried by the vigorous opposition.

The confidential minutes of the Labour Party's industrial policy subcommittee for its meeting last month reveal a completely voluntary planning agreement had been a failure. The next Labour Government should ensure that planning agreements are backed with statutory powers.

They go on to show agreement that the disclosure of information by those concerned in the industry should be used at all. Planning agreements should now be used in translation work on the Government's industrial strategy into action or company decisions to replace a "bribe" with industrial planning.

In case anyone in industry thinks they had no friend in the minutes show that Mr. Gerald Kaufman, Minister of State for Industry, has argued that the committee should take into account the possible adverse effects of Government sanctions and the use of compulsory powers.

Well, we now know that planning agreements are alive, even if not flourishing, and the Government, if continued in office, is now disposed to take some unspecified new powers. Planning agreements are intended to be signed between a Government and a company about strategic plans, based on regular discussions of the company's plans and projects.

The pacts would cover such matters as sales and market projections, exports, investment, employment, training, productivity, financing, pricing policies, and product development. When companies view them against the Government's separate legislation covering disclosure of information, they are naturally suspicious at what they see as a considerable extension of interventionism.

Most companies spent hours framing arguments why they should not sign agreements to tell their confidential plans to others, and as they were to be voluntary, they never got off the ground. A few nationalized industries have been playing with them, and the only private sector companies who flirted temporarily with the idea (apart from Chrysler) were those concerned with positions of advantage in the Drexel affair.

In the absence of compulsion, the Department of Industry set up a small team, including a man from Imperial Chemical Industries (Imperial Chemicals), to convert the reactionary capitalists of industry to the cause of signed commitments to tell Whitehall their strategy.

The only error of Section 21(1) of the Industry Act 1975—legislation which fostered the National Enterprise Board. This provides an incentive to conclude an agreement by guaranteeing levels of certain forms of financial aid for the period of the pact.

However, the granting of Government assistance was not made generally conditional upon reaching an agreement. So much for the famous White Paper. The Government of British Industry, which promised that negotiation of agreements would provide a secure and

more coherent basis than has existed in the past for ensuring that Government financial assistance is deployed where it will be most effectively used.

As companies seem to obtain much of their aid anyway on commercial terms, there seem no clear advantages in the supposed carrot. It is not surprising to see industry ignoring Government policy, so weakly, and evidently reluctantly, administered by Mr. Varley's department.

What matters now is not the past but the future. Labour's electoral chances are apparently rising and industrial policy will again play a central part of the programme. It must now present to counter any suggestion of a dying administration bereft of things to do.

There is pressure to tighten up the industrial strategy masterminded by the National Economic Development Office (NEDO) and the Department of Industry, which is backed by the CBI and TUC. This form of planning has held together through the thick and thin of economic troubles, but it has not reached down to many individual companies.

The risk of that kind of sectoral rather than company planning becoming disrupted by insensitive moves to compel companies to sign planning pacts depends on the point of view. What is intended by additional statutory powers will need to be cleared up in the coming months.

What is known is that Labour researchers want all companies with sales of more than £50m in Britain to be obliged to enter into negotiations, upon request, to con-

clude agreements. Direct state aid, they say, should now be progressively made conditional on agreements.

Mr. Varley is apparently worried, and his legal advisers fear arbitrary use of powers to discriminate between companies will open up complications in law. There is behind-the-scenes talk of creating a National Planning Commission, given the task of promoting agreements by more vigorous persuasion. At the same time, there is the other commitment to industrial democracy, and whether to define a role for employees' representatives in promoting planning agreements.

The problem for the Government is that its sentiments are with companies in their anxiety, but it has a fundamental belief in some extension of planning, in which there is a role for signed pacts if only industrialists can be reassured that their cherished autonomy is not greatly threatened.

Voluntary or compulsory, things would hum if Mr. Benn were to have moved back to industry. The introduction of planning agreements depends on a minister bent on pushing them along, and Mr. Varley carries the responsibility in Party eyes for the failure to date.

Industry does not look at it that way. Not failure say the businessmen, but good ministerial judgment of our feelings. Nonetheless, Mr. Varley cannot for much longer ignore his Party's and the TUC's disappointment that a manifesto subheadings has remained just that.

Maurice Corina

Kenneth Owen, Technology Correspondent

## Five heresies on microprocessors

Just to upset some of the conventional wisdom on microprocessors, which have recently emerged as the government-approved fashion technology for 1978, consider the following five discrete heresies and the possibility of integrating them into a single chip of advice for the Prime Minister and the Advisory Council for Applied Research and Development (ACARD).

1. £15m from the Department of Industry for microprocessor applications is more important than £70m for the microelectronics industry.

2. Microprocessor applications are more important than the question of who makes standard circuits.

3. Standard micro circuits are more important than special-purpose ones.

4. Software for standard circuits is more important than hardware.

5. Software is too important to be left to the software experts.

This week's formal announcement that the Department of Industry is stepping up its financial support for the microelectronics industry to the tune of about £70m over the next five years was long expected and therefore came as no surprise.

In one sense it is genuinely complementary to the National Enterprise Board's £50m entrepreneurial excursion into standard micro products with the three wise men of Imvros: Dr. Richard Peritz, Mr. Ian Barron and Dr. Paul Schroeder.

Despite the Department's recent conversion to a degree of interest in standard circuits, it is the special-purpose or custom circuit that the new DoI scheme is primarily about.

It was the custom circuit that various previous DoI schemes were primarily about too. This government money helped the United Kingdom microelectronics industry (ie the CECA) to keep abreast of the silicon technologies, though the department itself admits that

the result was "perhaps too diffused and not well enough exploited".

In a background document to the new scheme the DoI goes further. "The United Kingdom has failed to invest early enough and on the scale required to build up a microelectronics industry capable either of exploiting the international market or of meeting the essential requirements of the United Kingdom user industries. The basic problem is still one of finding sufficient investment in this industry for research and development and for new production plant."

And why is the microelectronics industry important? First, because it is growing at about 20 per cent a year, and in five years will command an £8,000m market. Secondly, because the whole of the electronic equipment industry and many other industries besides will come to depend on microelectronics for their development and perhaps for their survival.

Among the various microelectronics products, the microprocessor—a classic example of the standard circuit—is perhaps the most potent force for change.

Carrying substantial computing power on a tiny chip of silicon, costing only a few pounds (the low price following directly from high production volumes), it can be programmed to carry out not only traditional data processing but much more besides. In its potential contribution to productivity, as has suddenly become widely realized, the microprocessor poses serious questions of future employment.

Thus the Government believes it faces three problems in developing its national strategy on microelectronics. These are the manufacturing base (subject of the £70m scheme), the new applications, and the effects on society.

CECA and a third of these are being addressed by separate working parties set up by the Advisory Council for Applied Research and Development (the third is also occupying the Central Policy Review Staff and a new group within the Department of Employment).

And the second of them is also the subject of a £15m microprocessor application project announced by Mr. Varley about three weeks ago. The aim of this interim scheme (more money is expected after the February ACARD report has been digested) is to encourage British industry generally to apply microprocessor techniques to a wide range of products and processes.

Yesterday the department reported a response of almost 1,000 inquiries in the three weeks since that announcement. This is regarded as encouraging but, as with the production of microcircuits, much will depend on the "yield" the proportion of approaches that are followed through to a successful outcome.

Certainly there are apparent dangers and omissions in the Government's plans as announced so far. One danger is that, on the hardware side, too much emphasis will continue to be placed on special purpose circuits and not enough on standard products. It is the standards, the microprocessors, that are producing the revolution.

And, between the production of the microprocessors and their real-life use, there is the vital software, the programmes that breathe life into these tiny chips of silicon. Mr. Varley did not mention software in announcing this week's £70m scheme; the department's view is that software will be looked after in the £15m application scheme.

Another interesting omission from Mr. Varley's announcement was any mention of "the provision of design facilities for the users of standard chips" which was envisaged in the "manufacturing base" part of the Government's three-prong strategy outlined by the Prime Minister's office on June 19.

As recommended in the confidential report on very large scale integration (VLSI) by the Electronics Research Council, which formed the basis of much of the Government's industrial policy, this would provide "design capability for VLSI at system, circuit and layout levels; software and hardware" and would cost £20m.

Circuit design and software generally remain key problem areas on any view of the Government's schemes.

In the... manufacturing

base" area, highly automated, powerful and flexible computer-aided design management systems are needed. One such is the "Gaelic" system, a product of the National Research Development Corporation's Compend subsidiary, which has recently attracted the interest of some of the best-known semiconductor companies in California.

To link the Gaelic circuit-design system with Cambridge Scientific Instruments' electron-beam machine to make fine-detail circuits would result in a powerful combination—at much less than £20m.

At the user level, it will make sense for many organizations to teach their own staff (or have them taught) how to develop their company's own micro-based products and systems, rather than buying an expensive software experts and leaving the task to them.

These are some of the thoughts behind the grossly oversimplified but relevant heresies quoted earlier. Much will depend on the Department of Industry's new Electronics Applications Division to its implementation of the microprocessor application project. Now that the direction has been set, the better.

Maurice Corina

Kenneth Owen, Technology Correspondent

## GALLAHY

### INTERIM REPORT for the six months ended 30th June 1978

The unaudited results of the Group for the six months ended 30th June, 1978 compared with the corresponding figures for 1977 and the audited results for the whole of 1977 are as follows:—

GALLAHY LIMITED AND SUBSIDIARY COMPANIES	1978		1977		Year to 31 December
	3 months to 30 June	6 months to 30 June	3 months to 30 June	6 months to 30 June	
<b>GROUP SALES (Note 1)</b>					
Tobacco—Domestic	240.7	500.1	224.3	447.5	958.6
Engineering—Overseas	38.8	85.5	42.8	83.8	172.3
Optical	14.2	27.6	13.9	26.8	56.4
Distribution	8.4	16.3	8.2	15.5	30.9
	54.3	112.0	42.5	86.9	189.4
	356.4	741.5	331.7	660.5	1,407.6
<b>GROUP TRADING PROFIT, before interest</b>					
Tobacco—Domestic	7.6	16.2	6.5	14.3	28.9
Engineering—Overseas	0.7	1.1	1.8	3.4	6.3
Optical	1.0	1.4	1.1	2.4	4.3
Distribution	1.4	2.7	1.9	3.2	5.9
	0.7	1.9	1.2	2.5	4.2
	11.4	23.3	12.5	25.8	49.6
	0.7	1.5	1.6	3.1	6.2
<b>GROUP PROFIT, before taxation</b>	10.7	21.8	10.9	22.7	43.4
<b>TAXATION (Note 2)</b>	5.4	11.0	5.3	11.2	21.9
	5.3	10.8	5.6	11.5	21.5
	0.1	0.1	0.1	0.2	0.3
<b>MINORITY INTERESTS</b>					
<b>GROUP PROFIT, before extraordinary items</b>	5.2	10.7	5.5	11.3	21.2
<b>EXTRAORDINARY ITEMS, net of taxation</b>	—	—	—	—	0.6
<b>GROUP NET PROFIT</b>	5.2	10.7	5.5	11.3	21.8
Depreciation charged in arriving at group trading profit (net of industrial grants)	2.8	5.5	2.6	5.1	9.9

**NOTES**  
1. Group Sales  
Sales exclude V.A.T. or its equivalent.  
The comparison for sales of domestic tobacco products has been affected by duty changes since March 1977.  
2. Taxation  
U.K. Corporation Tax has been based on a rate of 52%.

Ross Davies







## FINANCIAL NEWS

### Profit reduced at Lyell Mining

Lyell Mining, the Tasmanian tin and copper producer, has reported a 10 per cent fall in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £108,000, compared with £120,000 in 1977. The reduction was due to a fall in the price of tin, which fell from £1,100 a ton in 1977 to £950 in 1978. Lyell Mining also reported a 10 per cent increase in its turnover, which rose from £1,100,000 in 1977 to £1,210,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, despite the fall in the price of tin. He said that the company was well placed to meet the challenges of the future, and that it was confident of its ability to maintain its position as a leading tin and copper producer in Tasmania.

### Par sees no reason for recent share rise

Par Brothers, the London-based stock exchange broker, has said that it sees no reason for the recent rise in its share price. The company's share price rose from 150p to 160p in the last three months. Mr. Par said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London. He said that the company was well placed to meet the challenges of the future, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### International

**Minnesota Mining** - Minnesota Mining and Manufacturing Co. (3M) has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Minnesota Mining also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Kawasaki to fall

Kawasaki Heavy Industries has reported a 10 per cent fall in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,200,000 in 1977. The fall was due to a fall in the price of its products, which fell from £1,200 a ton in 1977 to £1,100 in 1978. Kawasaki Heavy Industries also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Gulf Oil

Gulf Oil Corp. has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Gulf Oil Corp. also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Int Australia

International Australia has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. International Australia also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Board hopes fair start at Bulmer will hold

Bulmer Holdings, the Hereford cider makers, hope for a fair start at the beginning of the year. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Bulmer Holdings also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Price war leaves Hillards with static profits

Hillards, the London-based department store, has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Hillards also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Some increase in volume at Sangers

Sangers, the London-based department store, has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Sangers also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Gillett Bros is sharply down

Gillett Bros, the London-based department store, has reported a 10 per cent fall in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,200,000 in 1977. The fall was due to a fall in the price of its products, which fell from £1,200 a ton in 1977 to £1,100 in 1978. Gillett Bros also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Eng Card completes sale in India

English Card Clothing has completed the sale of its stake in Indian Card Clothing. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. English Card Clothing also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Strong recovery at Dixor

Dixor, the London-based department store, has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Dixor also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Briefly

**HARRISONS & CROSSFIELD** - Harrisons & Crossfield, the London-based department store, has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Harrisons & Crossfield also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Options

Despite an active day in the equity market, the London-based department store, has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. The company also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Business appointments

**Lord Townshend on board of Carlton Industries** - Lord Townshend has been appointed to the board of Carlton Industries. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Carlton Industries also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Return to old dividend level is seen at J Lyons

J Lyons, the London-based department store, has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. J Lyons also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Lynton Holdings in 9 per cent advance

Lynton Holdings, the London-based department store, has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Lynton Holdings also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

### Battle for Trident Printers hot up

Chiric Investment, the London-based department store, has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Chiric Investment also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

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### Options

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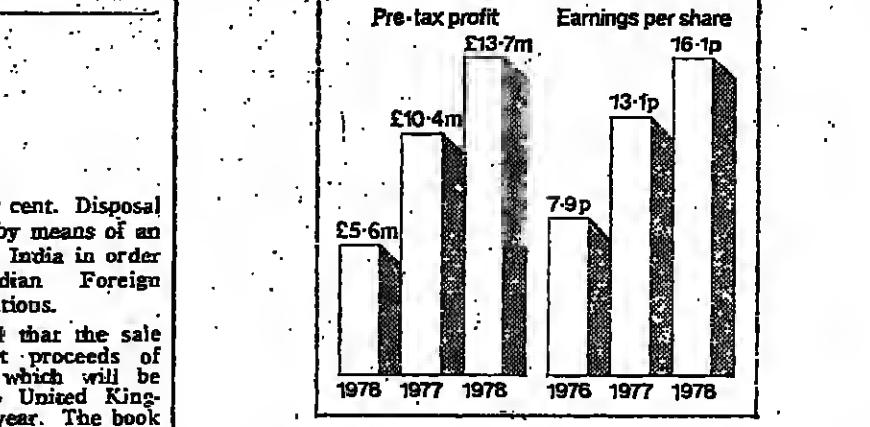
### Business appointments

**Lord Townshend on board of Carlton Industries** - Lord Townshend has been appointed to the board of Carlton Industries. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Carlton Industries also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.

## Electronic Rentals Group

### Turnover tops £100 million for the first time.

Electronic Rentals Group, the London-based department store, has reported a 10 per cent increase in its profit for the year ended June 30, 1978. The company's profit after tax and minority interests was £1,100,000, compared with £1,000,000 in 1977. The increase was due to a rise in the price of its products, which rose from £1,000 a ton in 1977 to £1,100 in 1978. Electronic Rentals Group also reported a 10 per cent increase in its turnover, which rose from £10,000,000 in 1977 to £11,000,000 in 1978. The company's chairman, Mr. J. H. Lyell, said that the company was pleased with its performance in 1978, and that it was confident of its ability to maintain its position as a leading stock exchange broker in London.



Copies of the Annual Report are available from The Electronic Rentals Group, Limited, Electronic House, Churchfield Road, Huddersfield, West Yorkshire HU1 2BB.

## Carlton Industries Limited

### Group results for the year ended 31st March 1978

	1978 £000	1977 £000
Group profit before taxation	10,383	7,807
Group profit after taxation	6,939	5,384
Earnings per ordinary share	26.1p	20.6p
Dividend per share	5.47p	4.9p

All divisions have contributed to the substantial growth of the group. Retained profits have increased from £3.9m to £6.4m and after capital expenditure of £5.6m group borrowings have been reduced by over £3m.

### Current trading and prospects

As a result of Hawker Siddeley acquiring a controlling interest in Carlton Industries the group's accounting year end is to be changed to the 31st December. In 1978, this creates a nine-month accounting period and accordingly the unaudited interim results are for the three month period up to 30th June 1978.

	3 months to 30.6.78 £000	6 months to 30.9.77 £000
Turnover	24,854	44,205
Profit	3,401	4,418

An interim dividend of 2p per share has already been declared as compared with 2p for the six month period in 1977 and it is expected that the final dividend will now be paid in May 1979. It is not intended to issue a further interim statement in respect of this current accounting period.

The order books of all the divisions of Carlton Industries continue to show increases over the same period last year and if present trends continue another substantial increase in group profits is expected.

Copies of the Report and Accounts are available from The Secretary, Carlton Industries Limited, Clifton Heights, Triangle West, Clifton, Bristol BS8 1EL.

## ATLANTIC

- \* IBM Systems Leasing
- \* IBM Computer Brokerage
- \* Industrial Leasing
- \* Telecommunications Leasing

The Directors of Atlantic Computer Leasing Ltd. are pleased to announce their interim results for the period 1/1/78-30/6/78:

	1978 first half	1977 the year
Group Turnover	£4,661,730	£6,684,535
Trading Profit	£606,550	£723,285
Investment Income	£55,920	£14,614
Gross Profit	£662,470	£738,795
Net Assets	£1,897,662	£1,289,074

— continuing strong demand for 3701 business lease program — availability of second-hand systems much improved — improved profits picture due to the main to greater productivity within the Sales Organisation and the availability of reasonably priced second-hand 370 systems for lease — continued growth through 1978 expected with forecast turnover of at least £10m.

— extract from Managing Director's interim report

Copies of the Interim Results are available on request

Atlantic Computer Leasing Ltd. 27 Clarendon Lane London WC2A 1LN  
Tel: 01-405 8238 Telex: 269344

# Barclays Bank

## Interim Statement for the half-year ended 30th June 1978

The Group profit before taxation for the half-year to 30th June 1978 is £154.2 million. The Board of Directors has decided to pay an interim dividend for the year ending 31st December 1978 of 6.0p per £1 Ordinary stock (an increase of 10% over the interim 1977: 5.5p) which, together with an imputed tax credit based on an expected income tax rate of 33%, amounts to 9.029p, on that stock, and an interim dividend of 7.0p per £1 on the Staff stock which with the tax credit amounts to 10.44p. These interim dividends will be payable on 2nd October 1978 in respect of the stock registered in the books of the company at the close of business on 22nd August 1978 in the case of Ordinary stock and 30th June 1978 in the case of Staff stock.

The former holders of The Investment Trust Corporation, Limited shares who accepted the recent offer to take Barclays Bank Limited Ordinary stock in exchange for their shares are not, in accordance with the terms of the offer, entitled to receive the above mentioned interim dividend.

**THE BARCLAYS GROUP**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)**

	Half-year ended 30th June 1978 £m	Half-year ended 31st December 1977 £m	Half-year ended 30th June 1977 £m
Operating profit	142.4	122.1	121.3
Add: share of profit of associated companies	21.3	21.5	17.7
	163.7	143.6	139.0
Deduct: interest on loan capital	9.5	7.5	7.5
Profit before taxation and extraordinary items	154.2	136.1	131.5
Deduct: taxation	80.6	65.0	68.4
Profit after taxation	73.6	71.1	63.1
Deduct profit attributable to minority stockholders of subsidiary companies	5.2	7.3	4.7
Add/(Deduct) extraordinary items, less taxation	68.4	63.8	58.4
Profit attributable to members of Barclays Bank Limited	1.6	(0.2)	0.5
Dividends	70.0	63.6	58.9
	12.3	11.4	11.2
Profit retained	57.7	52.2	47.7
Earnings per £1 Ordinary stock	33.8p	31.6p	29.0p

Notes:  
1. The bases of accounting are as explained on pages 29 and 30 of the 1977 annual accounts.  
2. Operating profit is after charging: Half-year ended 30.6.78 31.12.77 £m  
Depreciation of fixed assets 0.6 0.5  
Depreciation of goodwill 0.5 0.5  
3. UK corporation tax is provided at a rate of 52%.  
4. The extraordinary item in 1978 is the surplus on disposal of trade investments and part of the Group's holdings in certain subsidiaries.

Registered Office:  
54 Lombard Street, London EC3P 3AH.  
Registered No. 48839

Barclays Bank Limited







## Stock Exchange Prices

ACCOUNT DAYS: Dealings Begin, July 24. Dealings End, Aug 4. \$ Contango Day, Aug 7. Settlement Day, Aug 15.

ACCOUNT DAYS: Dealings Begin, July 24. Dealings End, Aug 4. \$ Contango Day, Aug 7. Settlement Day, Aug 15.

صلى الله عليه وسلم





HOME AND OVERSEAS

# EMIRATE OF ABU DHABI

## DEPARTMENT OF PUBLIC WORKS, P.O. BOX 3, ABU DHABI

### SITUATIONS VACANT

This Department of Public Works, in the Emirate of Abu Dhabi, invites applications to fill the following vacancies, viz:—

#### 1. ASSISTANT DIRECTOR, BUILDING MANAGEMENT (EXECUTION)

- (One vacancy)  
Basic salary: U.A.E. Dirhams 7,500.  
Qualifications and Experience required:  
(a) At least B.Sc. in Civil Engineering from a recognized university.  
(b) Not less than 15 years' experience in the execution of buildings construction, out of which at least 5 years must have been as holder of a top supervisory post.  
(c) The candidate selected shall be responsible for the 'Execution Unit' which looks after the government's buildings projects, together with direct supervision on site and indirect supervision through Consulting Engineers appointed by the P.W.D. and he shall be directly responsible to the Director of Building Management.  
(d) Good knowledge of English language.

#### 2. CHIEF ENGINEER (AIRPORTS)

- (One vacancy: Grade 1/2)  
Basic salary scale: U.A.E. Dirhams 6,000 to 6,500 per month.  
Qualifications and Experience required:  
(a) At least B.Sc. in Civil Engineering from a recognized university.  
(b) At least 12 years' experience in the fields of design, construction and maintenance of airports and relevant structures.  
(c) Ample experience in contract administration and in drafting of contracts, terms of reference and reports.  
(d) Proven administrative ability in supervising and co-ordinating the work of engineers and technicians and in checking the work of Consulting Engineers appointed by the P.W.D. for the design and supervision of projects.  
(e) Good knowledge of English language.

#### 3. CHIEF ENGINEER (DREDGING AND RECLAMATION)

- (One vacancy: Grade 1/2)  
Basic salary scale: Ch. 6,000 to 6,500 per month.  
Qualifications and Experience required:  
(a) At least B.Sc. in Civil Engineering from a recognized university.

- (b) At least 12 years' experience in the design, construction and maintenance of marine works, in particular in dredging and reclamation works.  
(c) Ample experience in the administration of dredging contract with international companies.  
(d) Proven administrative ability in supervising and co-ordinating the work of engineers and technicians and in checking the work of Consulting Engineers appointed by the P.W.D. for the design and supervision of projects.  
(e) Good knowledge of English language.

#### 4. CHIEF ARCHITECT

- (One vacancy: Grade 1/2)  
Basic salary scale: Dh. 6,000 to Dh. 6,500 per month.  
Qualifications and Experience required:  
(a) The minimum qualification required is to have a B.Sc. in Architecture from a recognized university or Technical Institute.  
(b) To have a practical experience of not less than 12 years in architectural designs of buildings and to be competent enough to look after a group of designers composed of architects, architectural draughtsmen and other technicians in the Design Section.  
(c) Good knowledge of English language.

#### 5. SENIOR ENGINEER (ROADS)

- (One vacancy: Grade 2/2)  
Basic salary scale: Dh. 4,200 to Dh. 4,900 per month.  
Qualifications and Experience required:  
(a) At least B.Sc. in Civil Engineering or equivalent qualification.  
(b) At least 6 years' experience in the fields of design and construction of roads.  
(c) Sufficient experience to follow up the work of Consulting Engineers in the design as well as the supervisory stage.  
(d) Proven ability in supervising the work of engineers and technicians working under him.  
(e) Good knowledge of English language.

#### 6. SENIOR ENGINEER (HARBOUR AND MARINE WORKS)

- (One vacancy: Grade 2/2)  
Basic salary scale: Dh. 4,200 to Dh. 4,900 per month.  
Qualifications and Experience required:  
(a) At least B.Sc. in Civil Engineering or equivalent qualification.

- (b) At least 6 years' experience in the fields of design, construction and maintenance of sea harbour projects or other similar works and/or in dredging and reclamation works.  
(c) Sufficient experience to follow up the work of Consulting Engineers in the design as well as the supervisory stage.  
(d) Proven ability to supervise the work of engineers and technicians working under him.  
(e) Good knowledge of English language.

#### 7. SENIOR MECHANICAL ENGINEER

- (One vacancy: Grade 2/2)  
Basic salary scale: Dh. 4,200 to Dh. 4,900 per month.  
Qualifications and Experience required:  
(a) The minimum qualification required is to have a B.Sc. or equivalent in mechanical engineering from a recognized university or Technical Institute and preferably with additional qualification in air conditioning.  
(b) To have not less than 5 years' practical experience in air conditioning design and supervision of control systems and with experience in boilers, fire fighting installations, water supply systems and other mechanical equipments such as lift and laundry equipments.  
(c) Good knowledge of English language.

#### 8. SENIOR MECHANICAL ENGINEER (AUTOMOBILES)

- (One vacancy: Grade 2/2)  
Basic salary scale: Dh. 4,200 to Dh. 4,900 per month.  
Qualifications and Experience required:  
(a) The minimum qualification required is to have a B.Sc. in Mechanical Engineering from a recognized university or Technical Institute.  
(b) To have not less than 5 years' practical experience in maintenance, repairing and general overhaul of motor vehicles. To be competent enough to look after the work of repairs and overhauling workshops composed of mechanic, skilled labourers, etc.  
(c) Good knowledge of English language.

#### 9. ENGINEER (DREDGING AND RECLAMATION)

- (One vacancy: Grade 2/2)  
Basic salary scale: Dh. 3,500 to Dh. 4,200 per month.  
Qualifications and Experience required:  
(a) B.Sc. in Civil Engineering.

- (b) At least 3 years' experience in the field of marine work, in particular in dredging and reclamation works or of similar works.  
(c) Good knowledge of English language.

#### 10. ENGINEER (MARINE WORKS)

- (One vacancy: Grade 2/3)  
Basic salary scale: Dh. 3,500 to Dh. 4,200 per month.  
Qualifications and Experience required:  
(a) B.Sc. in Civil Engineering.  
(b) At least 3 years' experience in the field of marine and port works.  
(c) Good knowledge of English language.

#### 11. ENGINEER (AIRPORTS)

- (One vacancy: Grade 2/3)  
Basic salary scale: Dh. 3,500 to Dh. 4,200 per month.  
Qualifications and Experience required:  
(a) B.Sc. in Civil Engineering.  
(b) At least 3 years' experience in the field of airports, relevant structures or other similar works.  
(c) Good knowledge of English language.

#### 12. MATERIALS ENGINEER

- (One vacancy: Grade 2/3)  
Basic salary scale: Dh. 3,500 to Dh. 4,200 per month.  
Qualifications and Experience required:  
(a) B.Sc. degree from a recognized university or Technical Institute in Civil Engineering or Building Technology.  
(b) At least 3 years' experience in the field of building materials testing and should have an adequate knowledge of international methods of testing and interpretation results.  
(c) Good knowledge of English language.

#### 13. QUANTITY SURVEYOR

- (One vacancy: Grade 2/3)  
Basic salary scale: Dh. 3,500 to Dh. 4,200 per month.  
Qualifications and Experience required:  
(a) B.Sc. degree from a recognized university or Technical Institute in Civil Engineering or Building Technology, with an experience in quantity surveying or a recognized Diploma in quantity surveying, equivalent to B.Sc.  
(b) Not less than 3 years' experience in the field of estimation and preparation of bills of quantities in buildings.  
(c) Good knowledge of English language.

### GENERAL CONDITIONS:

- Cost of Living, Transport and Water and Electricity allowances shall be granted, in addition to the basic salary, as per the prevailing laws of the Emirate.
- The appointment shall be on the basis of 'Foreign Contract Employment', by which the successful candidate shall be given an unfurnished accommodation with a furniture allowance of 9 months' basic salary, with a maximum of Dh. 30,000, for the married candidate, and 7 months' basic salary, with a maximum of Dh. 25,000, for the single candidate. First class air tickets shall be granted to the candidate selected for the post of Assistant Director, Building Management (Execution) and economy class air tickets to all the others, together with tickets for wife and three dependent children aged 18 and below, at the time of appointment, on annual leave and on the termination of service.
- The contract shall be for a period of two years, which may be renewed on a yearly basis.
- Annual leave of 60 days shall be granted to those in grade 1/2 and 2/2 and 45 days to those in grade 2/3.
- On termination of service, the candidate shall be entitled to gratuity at the rate of one month's basic salary for every year of consecutive service until the first five years; and a half month's basic pay for the next five consecutive years of service and two months' basic pay for every year of service thereafter.
- The candidate shall be physically fit and of good conduct.
- Preference shall be given to U.A.E. nationals and then to the nationals of friendly Arab countries.

### REMARKS:

- Applications shall be accompanied by approved copies of academic and experience certificates.
- A candidate shall apply for one post only and shall show clearly, on the envelope, the name of the post applied for.
- If no answer is received by the applicant, it shall be considered as an apology. The Department reserves the right of not returning the applicants' certificates and documents. Those interested shall address their applications, within 30 days from the date of publication of this advertisement, to:—

H.E. the Under-Secretary,  
Department of Public Works,  
P.O. Box 3 or 88, Abu Dhabi, U.A.E.

Ghanim Al Sweidi  
Under-Secretary

## CREDIT MANAGER

### FOR INTERNATIONAL BANK IN LONDON

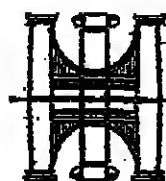
Reporting to the Managing Director

The ideal candidate will have a degree in ECONOMICS, membership of one of the ACCOUNTANCY bodies and good BANKING EXPERIENCE.

Preferred age range 30-40.

Salary by negotiation is unlikely to be a problem for this key appointment which involves analysing the creditworthiness of banks, companies and countries and carries with it membership of the bank's credit and management committees.

Write in confidence, enclosing a curriculum vitae to me:—



Jack A. G. Wilson,  
Managing Director,  
Hungarian International Bank Ltd.,  
95 Gresham Street,  
London EC2V 7LU.

## GENERAL MANAGER FUNDS

This is a key job and a new appointment within the treasury function of a major British business of international standing and reputation. Turnover is comfortably above £1 billion and assets exceed £900 m.

Two tasks predominate: the efficient management and utilisation of generated funds and the provision of funds to sustain growth.

Substantial experience and record of attainment is required in all aspects of cash management and funding with emphasis on funds control and investment, foreign exchange dealing, finance raising including leasing, and capital structures.

Broadly based experience will have been at the centre of large international business operating in the commercial, banking, industrial or public sectors. Professional qualifications, preferably in accountancy, and a degree would be ideal.

Age: mid-late 30's. The initial salary will be in the range £10,000-£12,000 with attractive conditions of service including car provided. Location: Outer London.

Letters from suitably qualified men or women, should include a curriculum vitae including salary progression to date which will be handled in confidence by Dr A G Roach.

**ROACH**

A G ROACH & PARTNERS,  
5 HALLAM STREET, LONDON W1N 6DJ

### UNIQUE OPPORTUNITY OVERSEAS

Man and wife required in the West Indies to manage small growing commercial business, overseas management experience essential. Excellent salary and prospects. Replies to:

Widdowson,  
Lewisham Villa,  
Bruncliffe Road, Morley, Leeds.

### £8,000 PLUS APPOINTMENTS

ALSO ON  
PAGE 25

## TAYSIDE HEALTH BOARD Appointment of Information Services Officer

Salary Scale £8,078-£9,757

The post of Information Services Officer has become vacant on the move of the present holder to another NHS post in England. The function of the Information Services Officer is to provide and develop a comprehensive Health Information Service, including the use of computer applications in both clinical and managerial fields. The post is seen therefore as having both a managerial and co-ordinating role in all aspects of information relevant to the work of the Health Board (with the exception of those and public) including the clinical, financial, economic and manpower fields and embracing various approaches such as reports, statistics, operational research, etc. While the post is based at Board Headquarters the activity will take place at all levels of the Board's interest including hospitals and General Practice. The key role is to advise the Board's Chief Officers on the information requirements for the planning of Health Services in Tayside. The University of Dundee will grant an appropriate honorary appointment to the successful candidate. It will be an advantage for applicants to hold a professional and/or academic qualification relevant to the above duties. Experience at a responsible level in medical information, medical economics, operational research or systems analysis will be essential but applications from candidates who have not covered each of these fields will be considered. NHS Conditions of Service will apply. The post is substantive.

Application forms and further particulars from the Area Personnel Officer,  
Vernonholme, Riverside Drive, Dundee,  
with whom application forms should be lodged not later than 1st September, 1978.

## THE AMATEUR ATHLETIC UNION OF AUSTRALIA

The Union seeks the services of a qualified and enthusiastic coach-administrator for the position of

## NATIONAL TECHNICAL AND COACHING DIRECTOR

The Director will be required to plan and implement a national coaching scheme directed primarily towards the training and development of honorary coaches and the dissemination of information regarding overseas developments. He or she will plan and co-ordinate the pre-embarkation preparation of national teams, assisting athletes and their personal coaches as may be desirable. Close liaison with the National Executive Director in matters related to championships, general competition, training of technical officials, etc., will be required. Qualifications required include the possession of coaching skills over a wide spectrum of events as a senior coach and experience at national coach or equivalent level. Fluency in written and spoken English is essential. Location: Melbourne.

Salary: To be negotiated in the range \$Aust 18,000-20,000.

Applications will close on 31st August, 1978, and should be addressed to:

The Secretary,  
The Amateur Athletic Union of Australia,  
31 Abbott Street,  
Sandringham, Victoria, 3191 Australia.

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